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Walter A. Haas, Jr.

LEVI STRAUSS & CO. EXECUTIVE, BAY AREA PHILANTHROPIST,
AND OWNER OF THE OAKLAND ATHLETICS

With an Introduction by
Roger W. Heyns

Interviews Conducted by
Ann Lage
in 1994

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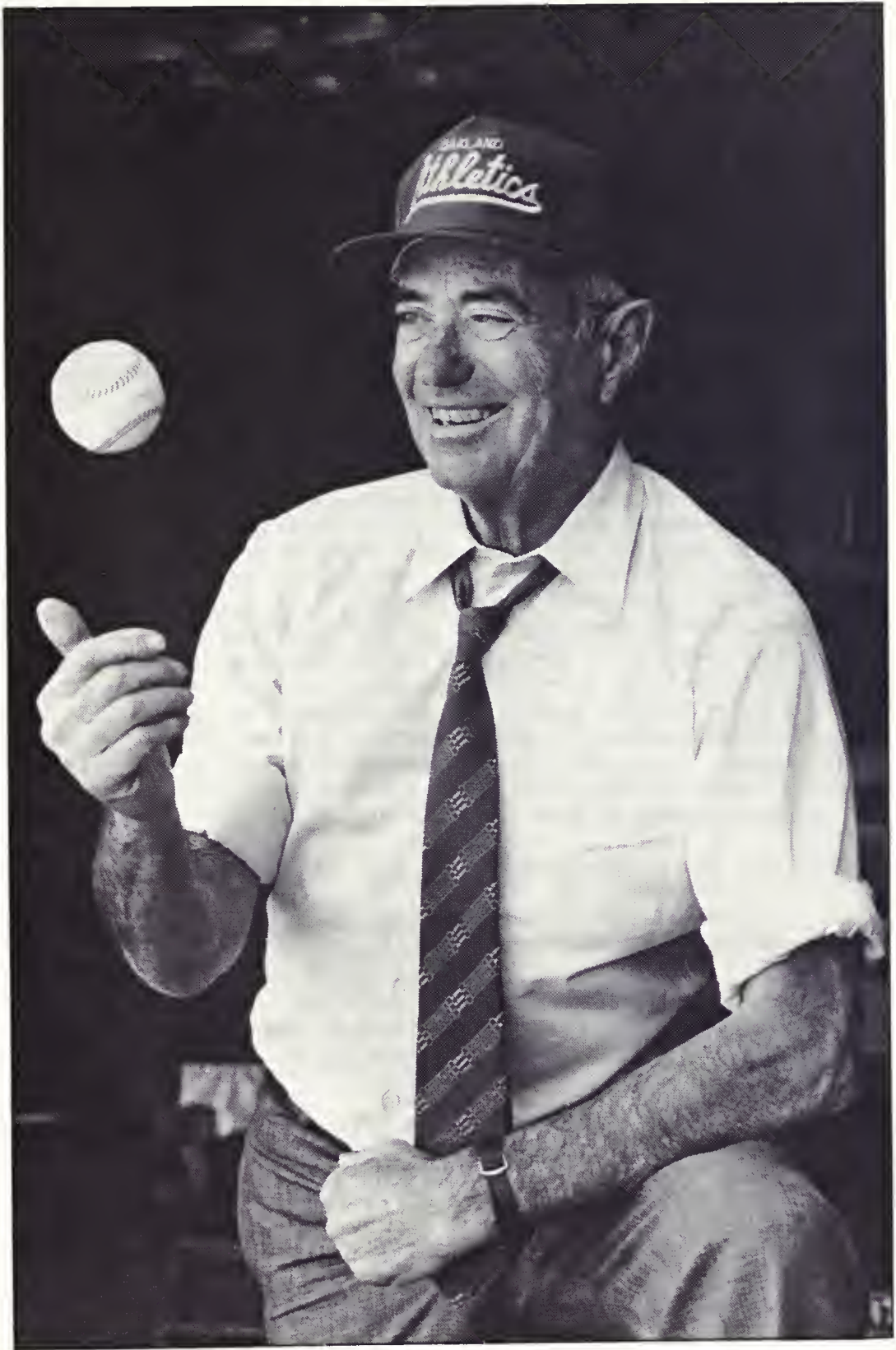
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Corporate executive

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Haas family background; youth, education, friendships in San Francisco; student experiences at University of California, Berkeley, and Harvard Business School, 1930s, fellow student Robert McNamara; executive with Levi Strauss & Co., 1939-1976, chairman of the board, 1971-1986: discusses critical decisions on personnel and management practices, expanding marketing and manufacturing, international division, public offering of stock, diversification, other major executives, including brother Peter Haas and son Robert D. Haas; fostering corporate social responsibility at Levi Strauss & Co. and as regional chairman, National Alliance of Businessmen, 1960s; service on corporate, foundation, and government boards and commissions, including Trilateral Commission (1980-1988), Ford Foundation (1970-1982); San Francisco Bay Area philanthropy and community service: Season of Sharing Fund, Hunters Point Boys' Club, the Guardsmen; Evelyn and Walter Haas, Jr. Fund; support for University of California, Berkeley, athletic programs, Haas School of Business; pleasures of family life and outdoor recreation; San Francisco clubs: Bohemian, Pacific Union, the Family, and reflections on club functions and restrictive membership; ownership of Oakland Athletics baseball team, 1980-1995: management team of Walter J. Haas, Roy Eisenhardt, Sandy Alderson, Tony La Russa, players, economics of baseball.

Appended interview with executive assistant Rita Guiney.

Introduction by Roger Heyns, Chancellor, University of California, Berkeley, 1965-1971; President, William and Flora Hewlett Foundation, 1977-1992.

Interviewed 1994 by Ann Lage. Regional Oral History Office, The Bancroft Library, University of California, Berkeley.

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INTRODUCTION--by Roger W. Heyns

The record will show that I seized the invitation to write the introduction to Walter A. Haas, Jr.'s, oral history. I wanted to share with his readers some insights about him based on thirty years of friendship--insights into admirable qualities that, given his modesty, he would deny or diminish.

Walter's enormous talent for friendship has characterized his whole life. His friends come from the entire range of human, social, and economic experience. Some of his closest friends were his classmates in grade school. They attend Cal football games with him, and he shares his president's box at the Oakland Coliseum with them. People in the corporate world, people with whom he has worked on governmental and community assignments, professional athletes, Cal alumni, all become a part of a large circle, the members of which are objects of his continuing concern.

This respect and enjoyment of people and their importance in his life has led Walter to be remarkably generous with his resources--his ranch in Montana, his home in Atherton, his cabin on the Rogue River in Oregon, his baseball team in Oakland. Much of his enjoyment in them derives from the pleasure they provide his relatives and friends.

Walter, at the same time, is a devoted and faithful family man. He was an admiring and loyal son to a talented pair of parents. His appreciation of the importance of the family has been a strong influence in his life as husband, father, and grandfather. He appreciates the talents of his wife and children, and he makes special efforts to spend time with his grandchildren. While deeply committed to his offspring, he has made a noble effort not to interfere in their lives. This is not an easy standard for a devoted grandparent, and Walter broods from time to time about his performance with respect to it.

There is another area of interpersonal relations that puts special pressure on him. He is an ardent and expert fly fisherman. He is willing to provide instruction to those of us who aspire to competence in that esoteric domain. However, when deficiencies in skill or motivation or both begin to show, Walter's usual tolerance for human failure disappears. Gently but firmly, other activities are found for the inadequate persons, and Walter is free to fish with competent companions.

Walter's activity as a philanthropist deserves special mention. Not only is he generous but the range of recipients is unusually large. His contributions to Berkeley include support for his professional school and for the athletic program. He has helped cultural institutions that are important to the Bay Area, and he has supported programs that are

important to the disadvantaged in the region. He was, for example, the founder of the Season of Sharing program which is now a part of the *San Francisco Chronicle's* Christmas activities. Completely undocumented but substantial have been his contributions to former employees and old friends who have come upon hard times.

In my opinion the most unusual characteristic of Walter as a philanthropist is that his generosity is not manipulative. He is, of course, interested in the purposes of the grant and that, when appropriate, there be a social contract about the uses to which the resources are put. But Walter has no personal need that requires attention. We all know that generosity can create a painful sense of obligation in the recipient. Walter fears that consequence and makes it possible to accept his help without creating a sense of personal obligation to him.

These comments about Walter's social concern don't by any means tell the story of Walter's life. He has been a highly successful corporate leader. During his regime as CEO of Levi Strauss & Co. the company grew substantially, both domestically and internationally. While he inherited a tradition of thoughtful and sensitive personnel practices, these were strengthened in his tenure. The policies with respect to plant closings for which the company is now famous is an example of Walter's solicitude for employees. It is not irrelevant to note that Walter has maintained close relations with hundreds of former colleagues and that current employees insist on celebrating his birthday with him.

Another way to describe Walter is to note that he has a deep interest in making the institutions of the society work effectively. As a consequence he has accepted opportunities to help business, social organizations, and governmental agencies by serving on boards of directors and advisory commissions. When last I had a chance to count, I found that Walter was active in more than thirty-six community, national, and international committees, including being a member of the board of four national corporations.

Finally, a few comments about Walter's relationship to Cal. It is especially important to him. He is proud of his degree, admiring of the University's academic distinction. Although he has had his disagreements with the University's performance from time to time, his support for it is unconditional. I am obliged to add, however, that this unconditional affection is under great stress when it comes to the performance of Cal's athletic teams, notably basketball and football. Walter is a fierce competitor, as an individual in tennis, golf, and fishing and as a fan. A losing season on the part of Cal's football team means a long dismal fall for Walter.

While much more could be said about him, I trust that I have conveyed that Walter is an intelligent, sensitive, generous person with broad interests and enormous dedication to the common good. I trust that it is also clear that he has been an asset to all of us--his friends, his business colleagues, his city, his university, and his nation.

Roger W. Heyns
Chancellor, University of California,
Berkeley, 1965-1971
President, William and Flora Hewlett
Foundation, 1977-1992

March 1995
Atherton, California

INTERVIEW HISTORY--Walter A. Haas, Jr.

Walter A. Haas, Jr., is a man of remarkable achievements and admirable personal qualities. A successful businessman, he is as proud of his company's impressive record in human relations as in its sales figures. A model citizen, he serves his community, university, and country with dedication. An avid sportsman, he takes equal delight in his participation on the Cal tennis team, his fly fishing proficiency, and his ownership of a major-league baseball team. Above all a devoted family man, he takes great satisfaction in the companionship and closeness of his wife, children, and grandchildren.

Perhaps his most extraordinary achievements have come in his leadership role with Levi Strauss & Co. Walter Haas joined his family's business in 1939, became its president in 1958, was chief executive officer until 1976, and served actively as chairman of the board until 1986. During those years Levi Strauss & Co. grew from a small regional manufacturer and wholesaler of work garments to become the world's leading apparel manufacturer. At the same time, Walter Haas and his brother, Peter, continued their family's tradition of social conscience and enhanced the company's reputation as a model corporate citizen, both in its enlightened personnel policies and its socially responsible role in the larger community.

In his personal philanthropy and community service, Walter Haas has made major impacts on Bay Area and national institutions. The University of California, the Season of Sharing Fund, the Hunters Point Boys' Club, the National Alliance of Businessmen, the Board of Trustees of the Ford Foundation, and the Trilateral Commission are among the many organizations benefitting immeasurably from Walter Haas's generous gifts of service and leadership and his philanthropic contributions.

In keeping with his lifelong interest in sports, Mr. Haas embarked on a new career in baseball in 1980, when he purchased the then-moribund Oakland Athletics and set its highly successful management team in place. By the end of the decade, the A's had won three straight American League pennants and a world championship, increased attendance from 300,000 to nearly 3 million per year, and instituted a community service program unprecedented among athletic teams.

In the spring of 1994, Walter Haas contacted the Regional Oral History Office to ask us to work with him on an oral history memoir. In doing so, Mr. Haas was following another family tradition: his parents, Elise Stern Haas and Walter A. Haas, Sr., had completed oral history memoirs in the 1970s, as had his aunt and uncle, Daniel and Lucile Koshland. In 1973 Walter, his brother Peter, and their father and uncle had each been interviewed for an oral history volume on Levi Strauss &

Co. And our office had conducted subject-focused interviews with his sister, Rhoda Goldman, and brother, Peter, as part of our series on the history of Bay Area philanthropy and the Jewish Community Federation, respectively. We were delighted, then, to have the opportunity to extend our documentation of an individual, a family, and a company all central to the life of the San Francisco Bay Area.

While Mr. Haas's primary interest was in producing a memoir for his family, he recognized and respected ROHO's commitment to insure that his oral history would document as fully as possible the many historically significant areas of his life and work for the use of future scholars. Our initial proposal for the oral history outlined five major areas to be documented:

- (1) To add to our understanding of Bay Area social and cultural history: family and personal background, family life, friendships, associations, clubs, and avocations.
- (2) For historians of business: leadership in the growth and development of Levi Strauss & Co. (supplementing our interviews conducted in 1973), observations on transitions in a family business, insights into the human aspects of business decisions and organization, and reflections on the social responsibility of business.
- (3) For the history of the University of California: student experiences and lifelong association with the University, its sports teams, and the business school.
- (4) For the history of sport: role and experiences as owner of the Oakland Athletics over the past fourteen years.
- 5) To document Bay Area philanthropy and community service: genesis and key issues of his major public service contributions and the philosophy he brings to these enterprises.

These areas provided the structure for the oral history, but Mr. Haas himself had a firm sense of what he wished to cover in each interview session. In response to the interviewer's outline of suggested topics submitted to him before each session, he would prepare a list of events and people to be discussed, with particular attention to acknowledging the contributions of others to his many endeavors. He noted favorite stories to be recorded, along with illustrations of the moral and philosophical outlook central to his actions in family relations, business operations, and public service. He never was reluctant, however, to address additional questions and to explore ideas and topics that were not on his priority list.

Mr. Haas had recently written a brief memoir on his student days at Cal for a soon-to-be published revised edition of There Was Light: Autobiography of a University (edited in 1970 by Irving Stone; under revision by editor Jean Stone). We used his essay for that publication as our stepping-off point for further discussion, and we have included it in this volume as Appendix C.

The first four interview sessions were held on the garden patio of the Haas summer home in Atherton from August 23 to September 2, 1994. The fifth session was undertaken in the study of his Pacific Heights home in San Francisco on September 9. During a six-week vacation break for the interviewer, Mr. Haas began his review of the lightly edited transcript of the first several interview sessions. Now fully aware of how conversational speech translates to the printed page, Mr. Haas asked that we edit his spoken words more severely, to tighten the inevitably informal language of the relaxed interview situation and to bring together related discussions. Once we developed a feel for his expectations, we took a firmer hand with the editing to make a more cogent, consistent, and readable document, rather than a verbatim transcript of our conversations.

Interviewing resumed on October 25, at his Pacific Heights home. The final four sessions were conducted from November 13 to December 8, 1994, at his office at Levi Strauss & Co., its walls lined with photos and memorabilia of life in business, community service, and baseball, and its windows opening to a magnificent view across Levi's Plaza to the San Francisco Bay.

In conducting his review of the complete edited transcript, Mr. Haas displayed the kind of care and concern for accuracy, articulateness, and completeness that can contribute immeasurably to the production of a rich, readable, and historically useful memoir. In some cases he reworked discussions to better express his sense of what happened or added the occasional paragraph to cover topics we missed in our interview sessions. He added a section on fishing, pack trips, and his ranches in Montana and Oregon, to be sure that the importance of these pastimes to his life was evident. He elaborated on the work of his family foundation to give a clearer picture of his philanthropic interests. In a few cases, when he saw his words on the printed page, he took exception to his sometimes disarmingly candid comments, omitted or reworded remarks that he felt were inappropriate to leave in a permanent record. He also took care that the ideas and beliefs most important in his life had been clearly expressed and given the proper emphasis.

Wise and experienced executive that he is, Mr. Haas called in his experts to review relevant portions of the transcript. His longtime executive assistant at Levi Strauss & Co., Rita Guiney, read the entire transcript and recommended some revisions. Ira Hirschfield, president of the Evelyn and Walter Haas, Jr. Fund reviewed the transcript and provided assistance to Mr. Haas and to the Regional Oral History Office throughout the process. Walter's wife, Evelyn Haas, also contributed to the review process, as did his son Robert, for the sections on Levi Strauss & Co., and his son Walter for the chapter on the Oakland A's. Rebecca Peters, his present assistant at Levi Strauss & Co., expedited many questions and procedures for our office in preparing the final volume. We owe thanks

to all of these individuals for their contributions, and a special thanks to Rita Guiney, who shared her unique perspective on Mr. Haas's personal qualities and leadership style as a Levi Strauss & Co. executive in an interview on November 9, 1994. That interview is included in this volume as Appendix B.

Our original plan had been to conduct an auxiliary interview with Mrs. Haas to be included in this volume. However, Evelyn Danzig Haas's prominence in the San Francisco arts community, and her central role in fostering the San Francisco Museum of Modern Art and making its new museum building a reality, determined that she should be interviewed at length for her own memoir. That process is now underway, with interviews conducted by our senior editor/interviewer for the arts.

When Mr. Haas's three children learned of his interest in recording an oral history, they provided the necessary funding as a gift for their father. We thank them for making possible this oral history, which serves not only as a family memoir but as rich primary source material for future historians.

The Regional Oral History Office was established in 1954 to record the lives of persons who have contributed significantly to the history of California and the West. The office is a division of The Bancroft Library and is under the direction of Willa K. Baum. Tapes of the interview sessions are available for listening at The Bancroft Library.

Ann Lage
Interviewer/Editor

June 1, 1995
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

Regional Oral History Office
Room 486 The Bancroft Library

University of California
Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name Walter A. Haas, Jr.
 Date of birth 1/24/16 Birthplace San Francisco
 Father's full name Walter A. Haas
 Occupation Imp. Birthplace Los Angeles
 Mother's full name Elise Stern Haas
 Occupation Housewife Birthplace San Francisco
 Your spouse Evelyn D. Haas
 Occupation Housewife & Cultural Leader Birthplace Elburn, Ill.
 Your children Robert D. Elizabeth J.
Walter J.
 Where did you grow up? San Francisco
 Present community San Francisco
 Education U.C. Berkeley - A.B.
Harvard Business School - M.B.A.
 Occupation(s) Manufacturer &
Baseball owner
 Areas of expertise _____

 Other interests or activities _____

 Organizations in which you are active _____

I FAMILY BACKGROUND

[Interview 1: August 23, 1994] ##¹

Overview: "A Most Wonderful Life"

Lage: We're starting out to record a biographical oral history with a lot of emphasis on your career at Levi Strauss & Co. But today we're going to start with personal background and some of your general reflections about your life. So let's begin there.

Haas: All right. Well, I've had a most wonderful life. It's been long and fortunate. It's been very happy, and I've had some remarkable experiences. I have a wonderful, wonderful family, and they're all close by, and we're close to each other. I've traveled the world; I've met important world leaders. So I just want to summarize the fact that I feel blessed.

Lage: That's a lovely way to begin.

Haas: I think part of that has been the key people in my life. Of course, I'd start with my wife [Evelyn Danzig Haas]. By next--I'm feeling a little emotional--by next March, we'll have been married fifty-five years. She's been very supportive and helpful and remarkable in many ways, because she's from New York, and her background is entirely different. When we married she came out [to San Francisco], and then I went into the service right away. I love the outdoors and I love to fish, and she'd never had dirty fingernails, I don't think.

Lage: Until she met you, or never since?

¹## This symbol indicates that a tape or tape segment has begun or ended. A guide to the tapes follows the transcript.

Haas: Until she met me. [laughter] And then, because I liked fishing, she took it up and either fooled me or genuinely did love it. She ended up actually becoming quite an expert and wrote a book.¹ It's been published, which I never thought would happen. I never thought she'd finish it. It's in its fourth printing, still going strong. That's remarkable.

Then I got a second career and got into baseball. She put up with my love of sports all these years, but baseball is not exactly her number one priority. But in spite of that she became pretty knowledgeable and a great supporter of the team.

I wasn't nearly as adaptable with her interests, because she's quite a leader in the cultural life of the Bay Area, with the [San Francisco] Museum of Modern Art and all her involvement in other cultural activities. I get points by accompanying her occasionally, but not with a great deal of enthusiasm. So my respect and love for her is very important in my life.

Lage: It makes a big difference, I think, in a life, to have that kind of a mate.

Haas: It does. It's terrific. And of course, we have a marvelous family. All my children in their own way are outstanding. They all live in the Bay Area, so we see them a lot. And the grandchildren as well.

Lage: How many grandchildren?

Haas: Six grandchildren.

During our fifty-five years together, Evie and I have had some marvelous experiences. We've traveled all over the world, going to South and Central America, most of the countries in Europe, and to the Orient a few times as well. We went on safari in Africa and to Ethiopia when Bob [Robert D. Haas] was in the Peace Corps. We have been to international conferences in Rome and Tokyo with the Trilateral Commission and to Rome and India with the Ford Foundation. Our trip to Israel was cut short by the Six Day War. We spent our honeymoon in Hawaii and have been back there at least once almost every year since we were married.

We have fished in the Rocky Mountain area, in New Zealand, Austria, British Columbia, and Alaska. We have had the most incredible fly fishing in Alaska catching, believe it or not, rainbow trout from five to nine and even twelve pounds. I have had

¹Evelyn Haas and Gwen Cooper, *Wade a Little Deeper, Dear* (San Francisco Examiner, 1979).

days when we hooked so many big fish that I became physically exhausted and had to rest. Of course, we released them all. Also, we went to Newfoundland with some friends one time for grilse, which are small Atlantic salmon, and that was what started Evie in writing her book on fly fishing. We have been to the White House on a number of occasions, and have personally met all the presidents from Lyndon B. Johnson through George Bush. I have a wonderful wall in my office, which my secretary calls "the blue wall," with pictures of us with all the presidents and one with Queen Elizabeth and Prince Philip along with various citations for service on government committees.

Sharing these experiences has enriched our lives together. We've had interesting experiences, embarrassing experiences, memorable experiences, and just an exciting and rewarding life. It has been a glorious journey together.

And then in business, my brother Peter and I have been partners for almost fifty years. We don't always agree on everything, but it is quite a remarkable relationship that we continue to be close and working together. Our interests are a little different, which in a sense is very good. He is more interested in the financial and operational end, and I'm more interested in the marketing, planning, and just general outside contacts and public relations.

Lage: You're the outside man and he's the inside man?

Haas: Well, more or less. We're quite different. But together, it's been a great success.

Lage: We'll want to talk about that when we go into Levi Strauss & Co. more, how this relationship worked itself out.

Haas: That's right.

And then, of course, Bob--that's my older son--has made such a great success of the business. And then I go to the Oakland A's [Athletics], where my son-in-law Roy Eisenhardt really was the right person to get it started, and then my younger son, Wally [Walter J. Haas], has made a tremendous success of the team. He's got great judgment, and he's got great people skills. The success of the A's is due to those two people, and then we have the best general manager in the business, Sandy Alderson, and Tony La Russa, the manager, recognized as probably one of the best in baseball.

So all these major interests of mine have been supported by outstanding people. And it goes beyond that to little things like our property in Oregon on the Rogue River; I couldn't have got it started without Prince Helfrich, who was a great influence in my

life. He was a guide who worked his way through college trapping beaver and selling cascara bark.

Lage: What kind of bark?

Haas: Cascara bark. He pulled bark off cascara trees--I think it's a medicine, probably a laxative. I couldn't have built the place in this wilderness area without him. Now it's carried on by Larry Mullinnix. That place was a garbage heap when we got it--it's Zane Grey's old mining claim--and now it's a showplace, recognized as an historic part of the Rogue River.

And we bought some property in Montana, and I was able to find Bill Pruitt, an Oregon guide who brought his family to Montana, and again brought a ranch that had been neglected for years into a jewel of a piece of property, the envy of everybody.

And then in my own business life, my assistants, starting with Rita Guiney,¹ who is beyond description, and helped bring up the kids, a part of the family, stood with me for over forty years until she retired. She was an officer in the company, and now Rebecca Peters, who is bright and intelligent, supportive. They all share one quality: they're friends, they really care about me, and they take great pride in what they're doing. It makes my life more productive and a lot easier.

I think whatever success I've had has to be attributed to people like these, and of course, the executives of Levi's--I can't name them all, but--

Lage: We'll get to them.

Haas: Yes. What I'm trying to say is these people all have great ability, and I'm very fortunate that we've had the relationship we've had.

Lage: I think that's a good way to begin, and one of the things we might look at as we go along is how--it's not just luck that you've had such wonderful people. Some of it must be an ability to judge character or to inspire people.

Haas: Well, it's hard for me to comment on that, but I guess so. Not everybody we've had has always worked out.

One of my favorite stories about business and decisions in business is that if you flip a coin a thousand times, it's going to come up heads five hundred times and tails five hundred times. So

¹See interview with Rita Guiney, Appendix B.

you have a fifty-fifty chance of being right. But the difference in being a success in making decisions is when you recognize your correct decisions, you ride the wave. If you recognize that you've made a bad decision, don't try to save it, abandon it. I think that makes the difference between a good decision-maker or leader and an ordinary individual.

Lage: That's very interesting. There's a lot of literature about decision-making, how people make decisions. They don't often go on to say what you do about the aftermath of your decision.

Haas: Well, I think it's very important, and it's the same thing in selecting people. There's a very good story about that that we'll get to in our discussion of Levi's.

These are the things I'm proudest of. Of course, there is being part of the growth of Levi Strauss & Co. from a small, regional wholesaler to the largest apparel company in the world, with a reputation for social responsibility and integrity. Having been a part of that is certainly a source of great satisfaction.

And then the Oakland A's, where we took a kind of a moribund franchise and converted it into an organization that's highly respected in baseball, perhaps respected among the very top few teams with some great success.

And a few other things I want to talk about: Hunters Point Boys' Club, which I helped start with Bill Zellerbach. We were both members of the San Francisco Boys' Club, and we saw a need for a boys' club in this depressed area. But the then-directors of the San Francisco Boys' Club would not open a branch there because they didn't want so many minorities, which is kind of ironic, because of course, look at their membership now. But we started that club.

I was one of the founders and one of the first presidents of the Guardsmen, which is a service group of young men between twenty and forty. I'm very, very proud of my role in getting Season of Sharing started, which is an annual fundraiser by the *San Francisco Chronicle* for needy families. I'm not going to get into detail now, but that would be worth emphasizing.

I don't know if I should mention this, but I was one of the first Jewish members of the Pacific Union Club, which kind of started the integration of this presumably very stuffy, exclusive club, and I ended up as a president, which is a first, also.

And of course, I'm probably known as Cal's number one booster of its intercollegiate athletic program. So these are thoughts in general that I had before we get going here.

Parents and Grandparents

Lage: That gives us a direction for where we're headed. Now with that introduction, we're going to go back and talk about your family and your growing up, and see how some of these things evolved.

Haas: All right.

Lage: There are a few things that your mother [Elise Stern Haas] said about herself in the introduction to her oral history¹ that I thought were interesting. She particularly said she was not a gregarious sort, that she was sort of a loner. Is this the way you saw her?

Haas: Well, yes, although--how will I say it? I won't say I didn't know her very well, but we were brought up differently than we brought up our children. We didn't see that much of our parents, and they didn't spend a lot of time with us. We were brought up by a nurse, an old German lady we called Nana.

Lage: What was Nana's actual name?

Haas: I don't remember.

Lage: In your father's [Walter A. Haas, Sr.] oral history², he mentioned Marie McLellan--

Haas: That's it, McLellan.

Lage: But that doesn't sound German to me.

Haas: Well, she was. She was German. And that's Nana.

I shouldn't say that, because when Mom and Dad would have drinks, I recall we would see them, and Sunday they'd take us out on a ride to the zoo, and we ate together, and all the rest, but our daily lives weren't--. I don't want to indicate they were distant or uncaring, it was just their way of life. They had a house full of servants, and they were very strict, and I was brought up in an old-fashioned, I guess Victorian kind of a way.

¹Elise Stern Haas, *The Appreciation of Quality*, Regional Oral History Office of The Bancroft Library, UC Berkeley, 1979.

²Walter A. Haas, Sr., *Civic, Philanthropic, and Business Leadership*, Regional Oral History Office, The Bancroft Library, UC Berkeley, 1975.

Lage: What were they strict about, what kinds of things?

Haas: Attending school, doing well, behaving yourself, being polite. We had to go once a week to my grandmother's for dinner. My two grandmothers, Mrs. [Sigmund] Stern [Rosalie Meyer Stern] and Mrs. [Abraham] Haas [Fannie Koshland Haas], were different as day and night. My father's mother, Grandmother Haas, was the one we went to every Sunday night. As years went by and we got married, it was kind of a family joke, because there wasn't room at the dining room table for everybody, so the direct family members sat in the dining room, the in-laws and the outlaws like my wife were in the living room.

Lage: Oh, my goodness!

Haas: It was terrible.

Lage: But every Sunday night?

Haas: Every Sunday night we had to do it. We could no more do that with our children today--I see some of them more than once a week, but it's not on a formal basis.

Lage: Not a command performance.

Haas: No. My Grandmother Stern was very austere, very reserved, but also very warm. She had a great facility for being respected in an affectionate way by all generations. Strangely enough, I guess she was shy, and maybe formidable, and quite beautiful. Again, a leader in the community, and I think there was quite a bit of jealousy between the two grandmothers, because they were quite different.

Lage: Did you have regular dinners at your Grandmother Stern's?

Haas: No. But we looked forward to occasions with her because we always got a present. She bribed us, and that was okay. I remember her house on Pacific Avenue, the big Victorian house. They had a dumbwaiter which brought the food from the kitchen in the basement up to the dining room. As little kids we'd get in the dumbwaiter and go up and down. She had a big ballroom in the basement. I don't think it was ever used after my mother grew up.

But the thing I remember most about that house was the Japanese tea garden. It was an absolute perfect, miniature replica of a Japanese garden with small fountains and rivers and Japanese buildings. I don't know whoever went there or what purpose it served but it's a memory from my childhood.

I really don't remember much about my youth.

Lage: What about Nana? Tell me a little bit about Nana. She did the daily care?

Haas: She was with us all the time. She took us to the playground, Julius Kahn playground. I don't remember a great deal about her. I remember when I got older, my grandmother lived down in Atherton. That's where I got started down here. [This interview session took place in Atherton.] My parents would come in the summertime and live on the third floor of her big house, right up here on Atherton Avenue. So I'd spend my summers down here, and that's when I got into the chicken business. [laughs]

Lage: Was she a warm person, your nurse?

Haas: No, no, she was very warm. What I started to say was when we were down here, and I had a dentist appointment or something, they'd send me to San Francisco. By then, she was retired, and Dad had found an apartment for her. I'd stay with her overnight, she'd cook dinner, and I'd look forward to those times. We were close. She was a wonderful person; I remember her very fondly.

But I had a younger brother, and a sister [Rhoda Haas Goldman] who is quite a bit younger. And I was mean as hell to my brother. [laughter] I never physically hurt him, but I psychologically drove him nuts.

Lage: You were more outgoing, I understand?

Haas: I don't know, I was just a bigger brother.

Lage: Yes, you were two years older?

Haas: Three.

Lage: Three years older.

Haas: Nine years older than my sister. We had a happy family. I don't recall that much of it.

Homes and Schools and Tennis

Lage: Do you remember your schooling at Presidio Open Air?

Haas: Oh, I sure do. That was a mistake my parents made, because Presidio was, I guess, a modern school, very progressive, and you moved ahead as fast as you could. So I graduated from grammar school before I

was twelve. My parents made the mistake of sending me to high school a month before my twelfth birthday. I was quite ill-prepared for public school, went to Galileo High School.

Lage: Do you know why they chose Galileo? You could have gone to Lowell, or you could have gone East to a private school.

Haas: Yes. I think they felt they didn't want me to be away from home. I am surprised they didn't send me to Lowell, because Galileo was a bad choice. It was ethnically dominated by Italians in those days, in the North Beach area, and they were tough, I thought.

Lage: And you were not tough?

Haas: Well, I was only eleven. I was very immature. I was an immature eleven. And I really hardly knew the difference between boys and girls, literally, and here were these guys that were smoking and talking about their dates, and swearing.

Lage: You hadn't been brought up that way.

Haas: I was really intimidated, and had a very--

Lage: [I am struck by what a mismatch that school experience was at Galileo. Did you talk with your parents about the ethnic domination aspect?

Haas: No.

Lage: Did you get any help from your parents, or even Nana, in how to deal with all this?

Haas: No, I just accepted it.

Lage: What did you learn from this encounter, or what do you think in retrospect its impact was on you, vis-à-vis racial and ethnic differences?

Haas: I think you're reading too much into this. It was just the composition of the school at that time.]¹

Lage: Did they pick on you?

Haas: Not particularly. I just don't remember much.

¹The preceding bracketed interchange was added during the editing process.

I started playing tennis. That was my greatest interest as a youngster. I was a member of the California Tennis Club, and it was not like it is today where the pro will find you a game. I'd go out there five days a week and be lucky to get a game one day. I'd just sit around waiting for somebody to ask me to play, because I was young and I wasn't very good.

But I learned to play tennis down here, at my grandmother's place--it was wonderful--with my parents, and I got good enough to play in their games. They both enjoyed tennis, they both played, and then Mom made Dad stop when he was fifty, which was--

Lage: She thought he was getting too old? [laughs]

Haas: Yes.

Lage: You mentioned that you also played tennis at the Hellers'.

Haas: That was the property adjoining my grandmother's in Atherton. Ellie Heller had the--we played tennis on my grandmother's court, but I really got more competition on the Heller court. As I got better, I was included in the adult games, and I suppose that's where I really learned to play.

Lage: I know you competed in tennis tournaments as a youngster.

Haas: I was in a lot of tournaments. I remember I entered a little tournament at the Menlo Circus Club. I was ten years old, and it was "under fourteen," and I won it. So I figured that I was going to be a real champion. I had no idea that it was a limited field; I really expected to be the national champion after winning my first trophy. So tennis was my driving ambition when I was a teenager.

I recall playing in the San Francisco City "under-fifteen" championships at Golden Gate Park, and nobody paid much attention. I was in the finals, and there was nobody watching, and I was losing. I lost the first set, and then all of a sudden I heard a voice say, "Come on, Wally, don't quit, you can beat this guy," and I turned around and it was Alice Marble, whom I knew. She kind of jolted me into feeling I shouldn't quit, and I ended up winning the city championship.

Lage: Nice to have Alice Marble give you that kind of encouragement.

Haas: See, it's interesting how--because I was a good tennis player, but I was not a great tennis player. And I played with Margaret Osborne, who was a women's champion, and I could play her even. I was able to play with all these big names. It just shows the difference in

caliber, at least between men and women's tennis. Because I was not a good tennis player in terms of the national rankings or anything.

Lage: But still. Now, do I understand that you also played with your mother, that your mother played tennis?

Haas: Mom and Dad did. But as I said, she made him quit at the age of fifty. But that's where I started, in Atherton on the courts.

Lage: Just to go back to Presidio Open Air School for a minute, do you recall anything about the schooling there, or your classmates or teachers?

Haas: Somebody was nice enough to send me an old yearbook, I guess. It was kind of a four-page mimeographed thing, and I was the editor-in-chief of the paper, which I hadn't realized. And I had written a story about baseball, which is kind of ironic!

Lage: Very much so.

Haas: Yes. Isn't that a kick? I have it in town somewhere. But I don't remember the Presidio very--

Lage: It didn't leave a lasting impression, or you don't have friends from that era?

Haas: No, although I remember a few of the names.

Lage: Do you know why your parents sent you there?

Haas: No.

Lage: I wondered if your mother was interested in progressive education ideas?

Haas: I don't know.

Lage: Maybe it was just close by.

Haas: Yes. We were right around the corner from Grant School, I should mention. When I first was born, I was brought up in a little brown house just outside the Presidio Gate on Presidio Avenue. Then most of my childhood through college was spent in a very large home on Lyon Street, Lyon and Pacific. After I got out of the service we bought a home on Broadway, which is less than ten blocks from the others. So I spent my whole life right in that little ten-block area.

Lage: Well, it's a very nice ten-block area.

Haas: It's a beautiful ten-block area.

Lage: Do you have good memories of those childhood homes?

Haas: Yes. Oh, I remember--here I'm not so young--but on Lyon Street my parents were entertaining Eleanor Roosevelt. They had a little English cook, couldn't have been more than four feet ten inches tall, maybe less, and I remember Mrs. Roosevelt, when dinner was over, asked if she could meet the lady who prepared that wonderful meal. So Mom took her out to the kitchen to see Ethel, who was the cook. I was always impressed by that.

Lage: Ethel must have been, too.

Haas: Oh, of course, she was thrilled.

Lage: Do you remember the dinner with Mrs. Roosevelt?

Haas: No, although I was there. But I remember that story very well.

Lage: Were there other celebrities that passed through your life?

Haas: I don't remember them at that time.

Lage: I've heard reference to Gene Tunney.

Haas: Oh, the squash court. Yes. Believe it or not, Dad, with his great intelligence, was never very observant. For his special birthday, I guess it was the fiftieth, Mom built a squash court on the back of this house on Lyon Street, which seems a little out of character, considering the tennis. I don't think he noticed it was being built.

Dad would play squash against Gene Tunney. Dad was a little man, and in squash, if you want to move the opponent out of the way, you just hit him right in the rump as hard as you can with the ball, and I remember Dad playing Gene Tunney. I'm sure there were other visitors, because Dad was involved in Republican politics. But as I say, we weren't that involved in the activities. He didn't talk about business at home.

Lage: He didn't bring things home that had happened?

Haas: No.

Lage: It doesn't sound like there was a conscious attempt to instill certain values.

Haas: By example, I'd say.

The Chicken Business and Other Stories

Haas: One of my favorite stories has to do with Atherton, and now I'm going to get the chicken business in. [laughs]

Lage: Yes, please do.

Haas: A couple of friends of mine, Alan Fleishhacker and Albert Schwabacher, also lived with their parents in large homes down in Atherton. We decided we ought to make a little money. So we collected eggs from my grandmother's chickens and sold them to her.

Lage: Sold them to your grandmother? [laughing]

Haas: Yes. And she went along, because she thought she could teach us a little something about commercial activities. She would pay the going price for eggs, but we had to look it up in the paper. So we'd look it up and sell her a dozen eggs, and then she'd pay us for them. So that's the way we got a little money.

And of course, the Fleishhackers were always kind of living it up. He had duck eggs, and that was a problem. But anyway, things were going along fine until I got ambitious and thought we should get more eggs. So I sent my little brother over the fence to the neighbor's to swipe their eggs. Of course, we were caught and that was the end of the chicken business.

Lage: Your brother was the one who got caught?

Haas: He got caught. [laughter] But this is the big brother.

Lage: Yes, that's the role of a big brother.

Haas: Getting him in trouble all the time. Yes.

Lage: That's a good story. Now, what about things like allowance? Were you given a nice allowance?

Haas: Given an allowance, yes.

Lage: Couldn't have been quite enough, or you wouldn't have had to do the chicken business.

Haas: Well, I think it was plenty, but we just wanted more than that.

Lage: You described yourself as being sheltered and naive.

Haas: Yes, very.

Lage: Did you mean that you weren't aware of the world around you? Or what did you mean by that?

Haas: No, we were sent to dancing school and all those things, and I was very shy and ill at ease.

Lage: What about awareness of the events of the day? You were a young teenager during the Depression--?

Haas: I was in college during the Depression, '32.

Lage: That's true. So that you must have been aware of.

Haas: Not fully.

Lage: Were you interested in reading as a young boy?

Haas: Not particularly, no--

Lage: You didn't have any favorite books?

Haas: I didn't blossom until I went to Cal. I was very introverted, I was very shy, I was very unaware. The real change came as I got away from home and went to Cal and was on my own, and that's where the metamorphosis came, if that's the right word.

I remember--to show the kind of rivalry between my brother and myself--we loved raspberries. We'd have them, and we always accused Nishi, who was the loyal Japanese butler of my grandmother, of giving one or the other too many raspberries, so we ate raspberries one at a time and counted them. The poor guy had to count them so we got the same amount every day. [laughter] This is the kind of stuff we did--does it matter how many raspberries? It's crazy.

Lage: I think that's interesting, and it even tells a little bit about your relationship with your brother. Now I want to be sure we're covering everything. We're working off two lists here. After "Raspberries," you list "Peter smoking."

Haas: Well, I don't know--[laughing]. We were at my grandmother's again down here, and Peter and I decided to smoke when we were quite young. I remember we were hiding out in a bed of hydrangeas, and the gardener saw the smoke coming out and turned us in. My mother decided to cure Peter of smoking, so she said, "Come on--" at dinner, I don't know how he got picked on. Maybe it wasn't a result of this particular incident. But she said, "Come on, now here's a cigarette, light up, and now inhale." She was going to make him sick. But he started blowing smoke rings. [laughter]

Lage: He was enjoying it.

Haas: He obviously had done it more than she realized, so that approach didn't work. I don't know if these stories mean anything, but I just jotted them down because I thought they were amusing.

The only other thing I want to say is, again having to do with tennis, and I did love tennis--

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Haas: I learned from Howard Kinsey, who was a great tennis player--he was my pro at the California Tennis Club, where I sat around waiting for games. Once a year, Granny would invite Howard Kinsey and some of the better players to come down and use their court, and then serve lunch. Of course, that was a big thrill for me, because I got to play with them. I didn't understand why they came down, and then I suddenly realized they came because Nishi would serve kind of a sunshine cocktail, which was loaded, and they just came once a year and looked forward to the cocktails after the game!

Lage: You mean you don't think they came down to play tennis with you?

Haas: [laughter] No, they didn't come down to play tennis with me. So those were some of the highlights of my younger years.

Religion and Responsibility

Lage: Tell me if religion was important at all in the family.

Haas: No.

Lage: Did you have any religious observances at home?

Haas: No. In fact, we were not bar mitzvahed, as are my sister's children. But we were not religious. Since I've been married my wife and I go to temple twice a year on the high holy days, but that's about it.

Lage: Kind of putting in an appearance?

Haas: Basically, yes.

Lage: Was there any sense of Jewish tradition?

Haas: No, I wouldn't say so. Dad and Mom had many friends who were not Jewish, through business or involvement in the cultural part of the city. No, religion was not an important part of our lives.

Lage: My preconception would be that you absorbed a lot of family values, but in talking to you, I haven't found out where or how.

Haas: I don't know. You're right. But my brother and my sister have a much greater feeling for Jewish tradition and more identification with the Jewish culture.

Lage: Do you think any of the emphasis on social responsibility comes out of the Jewish tradition?

Haas: Yes, it definitely does. No question about that. I think we were taught--how it came across is--if you have good fortune, it should be shared with your neighbors.

Lage: Were these things your parents would say to you?

Haas: No. As I say, I don't remember any lectures; it was just the way of life. It was a way of life. People ask about things, and I say, "It's in the genes." Well, there are two ways of spelling that. But it is, genes [spells]. And that's where your sense of responsibility in the community comes from. That was certainly a huge thing that came out of our family life. Now, how I got to care about these things, I don't know, but I care very deeply. I just have no idea.

I know with my children, when they were growing up and got to receive an allowance, I guess when they went to college, we figured out what they needed for tuition and clothes and whatever else came into the equation, and we'd reach an amount, and then I'd add 10 percent. I'd say, "Now, that 10 percent has to go to some cause or causes of your choosing, to help others," and that's what I tried to do. I don't know that it was particularly successful. But my parents didn't have anything like that with me.

Lage: Your parents didn't institute that formally?

Haas: No.

Lage: It came somehow.

Haas: It sure did. I think it really did.

Lage: Did you have a very close relationship with your little sister? She was quite a bit younger.

Haas: No, she was much younger. She was my baby sister.

Lage: Did you tease her?

Haas: No, I teased Peter. I was pretty nice to her, I think. [laughter]
I think!

Lage: Peter got the brunt of it.

Haas: Peter got the worst of it.

Lage: I'm still thinking about childhood friends. Were your friends mainly family friends? You mentioned the Fleishhackers and Schwabachers.

Haas: They were friends, yes, the sons, the children of my parents' friends, Albert Schwabacher, Alan Fleishhacker, and Bob Sinton. It seems strange. Sometimes I'm amazed that I turned out to be, I'd like to think, as gregarious as I think I am, with as wide a circle of friends and interesting friends, because the first sixteen years was kind of a vacuum, it seems, almost.

Lage: Do you remember feeling lonely? You must have at Galileo.

Haas: No, it was a way of life. I didn't question anything. I did not question anything. I think that's the interesting--. I was taught to believe in authority. You were expected to go into the family business, you were supposed to behave yourself and be understanding of other people and respectful to them. That was the way you were brought up.

Lage: Just the way you did it. There was less questioning, I think, in that era.

Haas: There was a lot, but by me, zero.

Lage: Now, when you got to Galileo, you had kind of a hard time with it.

Haas: Initially, yes.

Lage: Were you able to adapt to that?

Haas: I managed. I graduated too young, again, to go to college, and I'm not sure, it seems to me I got quite ill one year, and they took me out for a semester. I think I was just overextended. I was quite small. I didn't start growing until I was about sixteen, and I was undersized and overmatched. And then when I graduated, I took a semester of shop, I think, just to keep busy, which I don't remember anything about.

Meeting President Herbert Hoover

Haas: And then we had an interesting incident. My Grandmother Stern, before I went to college, over Christmas took me to New York and Washington. That was the time when Herbert Hoover had just been defeated but was still in the White House as the lame duck. My grandmother's brother, Eugene Meyer, was governor of the Federal Reserve Board. So we went to Washington.

And again, my grandmother was a grande dame, and she would have breakfast in bed and sleep late. I was young, and one time I asked her if I couldn't, in the morning while she was still in bed, go on one of these Throttlebottom tours of the White House, just take a tour through. She said, "Go ahead."

So the next morning, I went out and went to the east gate, or wherever you go, and went through. At the end of the trip, the guide said, "Is there a Mr. Walter Haas, Jr., in the group?" And I hadn't taken any ashtrays, but I was very worried. [laughter] They put me in a room, and I sat there about twenty minutes and got more and more nervous.

Finally, they said, "Mr. Haas, come this way," and I went in another room. After about fifteen minutes I got quite concerned, and there was a man at a desk, and I went and asked him what I was waiting for. He kind of smiled and said, "Sit down, don't worry."

Pretty soon I saw a couple of distinguished looking men coming out of another door I hadn't noticed, and this secretary said, "Come this way," and there I was. He said, "Mr. President, this is Walter Haas, Jr." It was Herbert Hoover, who was the lame duck president. And of course, my great-uncle Eugene Meyer had arranged it.

I didn't know what to say. He said, "Where are you from, young man?" I lied a little and said, "I'm from Palo Alto, California, sir." He said, "Well, I'll be back there soon myself." I said, "Yes, we can't wait, Mr. President." [laughter] Trying to say the right thing. And that was the end of my visit to the White House.

Lage: That was the first of the presidents you've known.

Haas: Yes, that was the first. Can you imagine that?

Lage: That must have been kind of overwhelming.

Haas: Yes, it was overwhelming. But I remember that.

Campfire Stories: Three Generations of Fishing and Pack Trips

Lage: We didn't talk about fishing and packing with your father. When did that come?

Haas: That was certainly in those years. The first thing I remember--and it brings up an incident--was a pack trip to the Sierra Nevadas with Dad, my brother, myself, and I think Stanley Sinton and his son Bob, and Bob Koshland and his son Bob, and I don't know who else. I remember it well, because we went with a very famous packer, Earl McKee, and the cook was Al Savage. He was very famous in those days.

Lage: You mean you even knew of them in those days?

Haas: You heard of them, yes, they were packers. Two things about it: one, I loved it, and I took to the outdoor life. My brother never did.

Lage: He didn't like it?

Haas: For some reason, it didn't capture him.

I don't know if this story comes now or later, but I know we went in, and Earl McKee told Dad, "You know, you've got to take the rivet off the crotch of your Levi's." Dad said, "Why? Will it scratch the saddles or the furniture or something?" Earl said, "By the end of the trip, you'll know." It was about a ten-day trip.

We'd have a campfire every night, and we'd tell stories, and one night it was pretty cool. Earl said, "Let's get up and warm our hands." We all stood around the fire, and he had a long story. He said, "Oh, why don't we all go and sit down?" Of course, copper conducts heat, and Dad sat down and jumped ten feet in the air. That rivet in the crotch was red-hot! And the next Monday, the rivet came off the crotch, and that's how fashion is made. I was there, and that's a true story.

Lage: That's a great story. Earl knew how to affect decision-making.

Haas: He sure did. That's put down as maybe part of the lore, but it happened. I was there.

And then I remember subsequently, Dad took Peter and me up on the McKenzie River in Oregon. We stayed at Thompson's Lodge, which was the only lodge in the place. That's where we first met Prince

Helfrich. Prince--that's another story. He was not a prince, but that was his name. He has four sons, all guides, and now his grandsons have guided me up in Oregon. But the point of the story is that we went up to British Columbia, we fished, and again my brother never picked it up.

Lage: Just didn't like it?

Haas: And that was the start of my friendship with Prince and my love of the outdoors.

Lage: How old were you when these things happened, your first pack trip?

Haas: I would guess the pack trip was when I was about eleven, and this is probably a year or so after that.

Lage: I see, so you were young. Now, your father was interested in fly fishing.

Haas: Oh, he loved to fly fish, and my mother was a pretty good fly fisherman. But she went along with him, not as enthusiastically as Evie goes along with me, but she did it.

Lage: She mentions that in her oral history, but she didn't make it sound like it was really her cup of tea.

Haas: It was not her cup of tea, no.

So that was the start of a lifelong activity that's brought me immense pleasure and an enormous number of friends. We're supposed to go fishing the next couple of weeks from now with my neighbor in Montana, Tom Brokaw. This is the kind of thing that happens.

Lage: Fishing is a great kind of bonding experience, don't you think?

Haas: There are a lot of romantic things written about it, but you do get out in beautiful parts of the world, and you appreciate nature and see wild game and have a lot of time to reflect on whatever it is that occupies your mind.

Lage: Are you a fly fisherman who throws his fish back in?

Haas: Yes. We believe in catch and release now.

I look back on some of the trips we've had, because we took a lot of trips with our children. When I look back on pictures of these, where we'd have fifty little seven-inch trout proudly displayed on a rope, it turns my stomach, because we never keep anything now.

Lage: That change has occurred over time.

Haas: Yes. You have the fun of catching them.

Lage: How about hunting? Did you ever get involved in hunting?

Haas: No. I've been a guest sometimes bird hunting. I never enjoyed it. I liked it because they liked me because I couldn't hit the broad side of a barn. They'd shoot my limit and then give it to me.
[laughter] And we like wild duck once in a while.

Lage: But hunting didn't interest you or catch your fancy.

Haas: No.

Lage: Now, those pack trips with your dad: was that an experience where you and he got closer?

Haas: Obviously, yes. But I just don't--he was such an outstanding man, such a fine businessman, such great integrity, such a good public citizen. I have nothing but the highest regard and respect and affection for him, love. But I don't think we were particularly close, the way I feel with my children.

Lage: I think that's almost a generational thing too, maybe.

Haas: I think it is. We didn't share a lot of time and a lot of thoughts. We'd go on the camping trip, have a great time, and then we'd come home and resume the routine, whatever it was.

The Culture Side: Music and Menuhin, and Art and Rivera

Haas: It's important to try to understand--I didn't have any special friends, any special--. We were sent to school in Switzerland.

Lage: When was that?

Haas: Well, I think I was twelve, and Peter was nine. We were sent to École Internationale, learned a little French.

Lage: Was this summer, or during the school year?

Haas: I think my parents were traveling in Europe and kind of parked us. That's the way we did things then.

Lage: This might have been '29, your mother mentions a trip to Europe where she took you.

Haas: Probably. I'd have been thirteen, and that's about right. I think that's when I had my first date, my first love. I was in the school, and she was--I don't know, that school or wherever. I just remember that was my first girl. I remember we'd have to get up in our pajamas in the snow and run around for five minutes or something. Pretty strict school. No harm done.

Lage: And speaking French all the time?

Haas: I don't think all the time, that I remember, but we learned a little. It was just--

Lage: You don't seem to remember it with a lot of joy.

Haas: No. I remember the girl, but outside of that, it was just as I say. We had a--I think my mother traveled with a companion, a Miss Driscoll, Agnes Driscoll, who was a trained nurse, who kind of looked after us while they traveled through Europe when we were traveling with them. That's the kind of thing it was, somebody to take care of us while they had their social life and whatever. And they put us in school for a couple of months, and I think that was about it.

Lage: Did your mother encourage you to learn about art and music?

Haas: They tried. But I rebelled. I remember they thought I should play a musical instrument--I'm glad you asked--so my mother went to some friend of hers in the orchestra who looked at my physique, my hands, and decided I should either play the flute or the cello. The flute or the cello? [laughter] My god! Why, I don't know, the shape of my hands, or something.

So they decided on the cello, and then Mr. Villaponda was the teacher. Villaponda his name was, and he was the number-one cellist in the San Francisco Symphony. Well, I'd saw away, I had no interest. I had to practice on Saturday afternoon when all the kids were down at Julius Kahn [playground] playing baseball and I could have been playing tennis. I faked it all the way; I'd take comic books up to the third floor of our house and make music for five minutes before and after. After a year or so, that didn't work out.

And I remember people like Pierre Monteaux, who was a conductor, coming to our house and my grandmother's house, and I remember being exposed to children's symphonies. I resisted and resented, but they tried.

Lage: Well, your mother indicates that your father wasn't too keen on music.

Haas: No, he wasn't. I'd like to emulate him in a lot of ways, but unfortunately, one that I do emulate him in is this lack of interest in cultural things.

Lage: There are some stories in, I guess it's your mother's oral history, about Yehudi Menuhin. Do you recall that?

Haas: Yes, I do, kind of. Good for you! Grandmother Haas, strangely enough, knew both Yehudi Menuhin and Shirley Temple. How she got to know them, I don't know. I think she befriended the Menuhin family. And I remember going to my Grandmother Haas's on a Sunday and playing whatever we played in those days with Yehudi and Shirley. Now, I know Shirley [Temple] Black. She lives up in Woodside now. I don't know if she recalls those days. But I distinctly remember knowing them, both child prodigies.

Lage: How old was Yehudi compared with you?

Haas: We're about the same age, and Shirley's a year or two younger, I guess. Pretty close.

Lage: And there's also a story about Diego Rivera.

Haas: Oh, gosh. Yes, that son of a gun. My grandmother [Rosalie Stern] decided that she wanted a mural painted by Diego Rivera in Atherton. So she got Diego Rivera to live in Atherton for however long it took, two or three months. And he brought his mistress. I don't think Granny would admit that this lady was his mistress, but anyhow, that was that.

He wanted both me and my brother and sister to be in the mural. I remember he had me in a kneeling position, and he was very insensitive to the fact that I was a young boy and I was very uncomfortable and hot and it took forever. I was afraid to move--I remember it very well--I was just uncomfortable. I don't remember it very favorably. He had me posing there forever. Anyhow, the mural was completed, and it was put in her dining room. Now it's over in Stern Hall in Berkeley.

Lage: Oh, it got moved over to Stern Hall?

Haas: Yes.

Lage: And your brother and sister are in it also?

Haas: Yes. Peter is there.

Lage: Your mother remembered, I believe, that your sister also was in it.

Haas: I'm pretty sure my sister's in it, and I'm trying to think--I think it was my brother, or my sister, who had an imaginary friend. One of them told Diego about it, and the friend is also in it. As a matter of fact, out in front there is a sculpture of my mother, and I think it's Peter and myself, done by Beniamino Bufano.

Lage: Did I go right past it without looking?

Haas: Yes. I'll show it when you leave. But it was of my mother, and my mother had a little--I call it a little secret garden where she could go in Atherton here, where she could go and just--she had a studio, and she was an artist, and she'd go there. When she passed away, we kind of tossed coins for the special things, and this is one that we won. You'll have to see it.

You reminded me, and that's good, because I tried to remember things, but I missed a lot.

Lage: That's what I'm for. If we do this together, we may come up with things.

Ansel Adams, and Other Family Friends

Lage: Okay, a couple of other people: you mentioned Ansel Adams.

Haas: Yes. Ansel Adams, and then Albert Bender.

Lage: Were they part of your childhood?

Haas: Albert Bender was a funny little Irish Jewish guy who talked through his nose. I have a picture of him here from my parents at Stern Grove. I didn't know Albert very well. He was around a lot. He was a great friend of my parents and my Grandmother Stern, Granny. He shared their interest in a lot of things in San Francisco. He was very much involved in the cultural life of the city. As I recall, he had an insurance business and handled all the Levi Strauss insurance from when we were very small until when my brother-in-law came into the insurance business. Then Dad took all the insurance away from Albert Bender and gave it to my brother-in-law, which I thought at the time was a very unfair thing to do, but that's beside the point. But Albert Bender was a funny little man and a very nice man.

Ansel Adams: that's quite a story. He was four or five years older than I am, or maybe a little more. He'd come around a lot, and he could have been either a great photographer or a concert pianist.

Lage: I've heard he was a wonderful pianist.

Haas: He would come to the house, I remember, to Granny's house, and take a pair of oranges and play the piano. He'd play a tune on the black keys. Amazing, amazing! And of course, he loved the Sierras and loved the outdoors, and was a wonderful photographer, a great friend.

Lage: How did he get to know your family?

Haas: I don't know.

Lage: I think he grew up nearby.

Haas: He probably did, but I don't know. He was a kind of a young talent that they'd be apt to befriend. Anyway, I know, jumping ahead, we kind of kept in touch with him but not really. I don't know how it happened, but one day--I think we asked him to come and photograph our place on the Rogue River, and he said, "I'm not doing that stuff anymore."

Lage: This was much later we're talking about?

Haas: Oh, yes, just before he died, I believe. Much later. But he said, "Why don't you come down to Big Sur and spend a night with me, and pick out anything you want?" If you'll notice, in my office I have six beautiful Ansel Adams photographs which he sold me for a song. But on that visit he took us through all the laboratories, and we met his assistants. He said, "I'm getting too arthritic and I'm giving up this work." We had a wonderful evening with him and Virginia. But I really do remember him for playing the piano with a pair of oranges.

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Lage: I didn't really ask you about politics in these years. Did that get discussed around the family table?

Haas: Probably. I remember Henry Kuchel. Was it Henry? It was Kuchel, I remember that. Kuchel was a liberal Republican, and I remember--

Lage: Tom Kuchel.

Haas: Tom Kuchel, thank you. Tom Kuchel was invited to Dad's house in Atherton, and I was there, and after dinner I guess the ladies left and we were talking politics. Dad was his financial manager, fundraiser. So Tom was somewhat beholden to my father. I remember Dad saying something, and Tom said, "Walter, you're wrong, you don't know what you're talking about." And I thought, Boy, now there's a guy with guts. [laughter]

Lage: How did your dad take that?

Haas: Very well. It wasn't quite that blunt, but it was--

Lage: That was the message.

Haas: That was the message. And of course, I do remember now, on Sunday Mom and Dad would often, in Atherton--this is later in years--I don't know if it was every Sunday, but quite frequently during the summertime they would have a group of people for lunch. They were interesting people, people from Stanford and educators and politicians and whatever. That was fun, I enjoyed that. I think I was probably in high school by then.

Lage: Well, that must have broadened your horizons.

Haas: Yes. They knew a lot of people from different walks of life, and we were privileged to be part of that scene.

Family Traditions

Lage: I don't know where I ran across this little phrase, whether it was in your--you know, your brother has done an oral history for the Jewish Community Endowment Fund.¹ Either there or in one of the other oral histories of your family, the phrase was used, "the weight of family tradition." Did you have a sense of a weight on your shoulders as you were a young man growing up?

Haas: No, I was very conscious of the family responsibilities or the family tradition, but it was never a weight.

¹Peter Haas, *President, Jewish Community Federation of San Francisco, the Peninsula, Marin and Sonoma Counties, 1977-1978*, Regional Oral History Office, University of California, Berkeley, 1994.

[Interview 2: August 26, 1994] ##

Lage: Another thing from your list--you mentioned Madeleine and a pool?

Haas: Yes. My grandmother's property in Atherton actually is part of three pieces, three adjoining pieces. One was owned by the Clarence Hellers, and the other was owned by my cousin, Charles Haas. He died young, but his children, Madeleine and Bill, my contemporaries, lived there. That property is still there, but the Stern property and Heller property have been subdivided.

Madeleine had a pool and a tennis court, and the pool was kind of the centerpiece of our social life, and when we were young all my friends spent a lot of time there. I can't think of being a youngster without remembering that pool. [laughter] In fact, we're going there for lunch this Sunday.

Lage: So that's an ongoing relationship from way back?

Haas: Yes.

Lage: You also mentioned "Fourth of July, traditional get-together."

Haas: Oh, that's now, here at this place, we have a family gathering on the Fourth of July. I usually barbecue ribs and chicken, and we have about thirty, forty people, kids and their friends, and friends of friends. Mostly now, friends from the baseball team. Evie works hard when she gives parties, and I think they look forward to it.

Actually, our oldest granddaughter's birthday celebration started that. She was born the fifth of July. When my daughter-in-law, Julie, was pregnant with our first grandchild, I think she was starting to deliver on the third of July, and we were waiting and waiting all the Fourth for word, and never heard it, and they forgot to call us. Then finally Simone appeared on the fifth, after a birth in the country by a midwife. It came out fine, but I remember it was kind of a traumatic experience.

Lage: Is this your oldest son's child?

Haas: Our youngest, Wally. He got married first, and he has three children, Simone, Charlotte, and Walter III. My oldest son, Bob, only has one, Elise, and Betsy has two children, Jesse and Sarah.

Lage: But you started the Fourth of July celebration for Simone.

Haas: Yes.

An Appreciative Aside on Evelyn Haas

Haas: I wanted to go back to one thing about my wife, when I talked about her, and I guess that's her unswerving integrity, sense of value, which is something very special. I can only explain it by little things. For instance, we'll accept a dinner invitation we don't care that much about, and then a couple of weeks later something really glamorous will come along, and I'll say, "Come on, let's switch," and she'll never, never do that after she's made a commitment. I've got to admire her, because I don't have that kind of backbone.

And the other instance that I remember very well--. I'm kind of a name-dropper. I love being friends with people with national or international importance. If I drop their names in conversation, I get fined ten cents every time I do it. [laughter]

Lage: She fines you ten cents?

Haas: Yes. I haven't paid yet, but she makes it very evident that I've been name-dropping.

I remember very well we were invited--we have this group of college friends that I was mentioning we went on camping trips to the Sierra with, and they invited us to go skiing with them in Aspen. We don't care that much about skiing, and we'd refused. And then one of them, Bob [Robert S.] McNamara was appointed secretary of defense, and so I said, "Evie, come on, let's change our mind, let's go and ski with a cabinet member." She wouldn't do it. [laughter] "No, you can go next year, but we turned it down, we're not going to go." And I thought that was pretty impressive.

Lage: I think it's nice that you appreciate it, also.

Haas: Well, I'm not giving very good examples, but she has a sense of values that's instinctively very correct. And great integrity. I benefit from it.

Ira Hirschfield

Haas: Now, the other thing I want to mention--earlier I was mentioning people of importance to me--and one of the most important is Ira Hirschfield. Ira is currently head of our family foundation [the Evelyn and Walter Haas, Jr., Fund], but there's a lot more to it than that.

As a young man, Ira worked in Levi Strauss & Co. in our Community Affairs Department and then for our foundation, which was very small at the time. Of course, it thrived under his leadership, to the point where he was hired by David Rockefeller to be director of philanthropy at the Rockefeller Family Fund. That's a complex foundation; it was really like running about fifty different funds, all with different objectives. Ira was getting a national reputation.

When my mother passed away in 1990, the money we were going to receive as individuals we put in our foundation, and it became a major foundation. In fact, it's now one of the hundred largest private foundations in the country, and it's just happened relatively recently. So I went to New York and persuaded Ira to come back here. So he runs our foundation now.

Ira is one of the brightest and most sensitive people I know. He is a workaholic. It's hard to get him to take a vacation, and he's always busy--days, nights, and weekends. Although he leads all aspects of our foundation, he is an advisor and counselor to me, to all members of my family, and virtually everyone else connected with us or part of the philanthropic community. He is a community resource and recognized as such. And he's an integral part of my activities in every way. He goes way beyond the foundation.

II COLLEGE YEARS: UC BERKELEY AND HARVARD BUSINESS SCHOOL, 1933-1939

Cal Friendships and Loyalties, Bowles Hall and Alpha Delta Phi

Lage: Now, next on the list here is Cal, and we have a piece that you've written for a book to be edited by Jean [Mrs. Irving] Stone [see Appendix C], which really covers the waterfront pretty well, although I do think there are a few details we should fill in. But we're going to include this, which gives a nice narrative.

Of course, the one question I have you say you can't answer, and that is the source of the loyalty to Cal, and the emotional attachment.

Haas: I don't know. I've thought of it many, many times, and I've discussed it with people like Roger Heyns, the former chancellor [1965-1971].

Lage: And he came from another large state-supported university.

Haas: He came from Michigan. He and Charlie [Charles] Hitch came at the same time, and I guess then Bob McNamara was involved in my life to a great degree. He wrote his friend Vernon Goodin about these two people and suggested he have a few friends in to meet the new key people at Cal, and Evie and I were invited. We got friendly with Charlie Hitch, but we hit it off with Roger Heyns extremely well, and I guess he may be my best friend now. We do a lot of things together.

Lage: You go to the Cal football games together.

Haas: [laughs] We go to Cal games, and we visit a lot. But in any event, we met, and I subsequently gave a party for them. At that party I asked Roger this question about the roots of the loyalty that was bothering me, even though he was new at Cal. He couldn't think of

any answer. He said, "Maybe it's Bob [Robert Gordon] Sproul." That's about the best answer I've gotten.

I don't know, because it's a large, impersonal state university, and one thing I did want to fill in here was the friendships I built at Cal, because that was the start of lifelong friendships. I mentioned earlier Jean and Bob Coop.

Lage: You mentioned them, but you didn't really tell me the connection or very much about them.

Haas: Jean was vice president of our class. Bob and I lived together at Bowles Hall, and had the Yellow Peril.

Lage: What was the Yellow Peril?

Haas: The Yellow Peril was a 1915 Cadillac Phaeton. Bob was one of five partners who owned the Yellow Peril. We lived at Bowles Hall. We met when I was a freshman and he was a junior, on a rushing party. But we both decided--or maybe they decided--so we didn't join a fraternity, we lived at Bowles Hall.

Lage: What was Bowles Hall like?

Haas: It was very plush. We would have a suite of three rooms, two bedrooms and a living room in between, and my first roommate was Stan Brunsten, whom I've completely lost track of since I got out of college, although he was also one of the owners of the Yellow Peril. I don't remember if we roomed together for two years, I don't remember the second year. It was very comfortable.

Lage: Was there a sense of community in the hall, as you'd find in a fraternity?

Haas: Well, it was bigger. I don't think so. I guess there was some sense of community. It was bigger, and I was perfectly happy there, and I was rather surprised when some friends at the end of my sophomore year asked me to consider joining Alpha Delta Phi, which I'm very happy I did, because I thoroughly enjoyed that. That's where I made so many good friends. Bill [William A.] Hewitt and I roomed together, and then roomed together at Harvard. He was an usher at my wedding, and I was an usher at his wedding. Next week we're going to his eightieth birthday party.

And of course, the Goodins, Vernon and Marion--Marion Sproul Goodin--we met through college. And Kate and Dyke [Franklin M.] Brown--he was a Rhodes scholar, he was a couple of years older.

Lage: Did you meet him at Bowles, or through the fraternity?

Haas: At Bowles, yes. And Dr. Willard Goodwin, and Mary Jo, who recently passed away. Willard is having a tough time now because he's retired, and he's in poor shape physically and one thing and another.

But this is the group that we would go camping in the Sierras with and skiing. Our kids never became close, which was disappointing for me, because first of all, we went on these Sierra trips, and as our kids got older, they'd come. Most of the other children took to the hiking and the outdoors, and mine didn't. So--well, that's fair enough.

Lage: You have to really like it to do it.

Haas: The point is, that really started in college, and it was an important part of my life.

Lage: And it sounded, from what you said last time, that you had a great sense that your life opened up at Cal.

Haas: I did. I blossomed.¹ The first year at Cal was difficult. I had my little problem with my father--[laughing]

Lage: Yes, I loved that story about your grades and your father. [See Appendix C.]

Haas: Yes, but he was right. He was strict, and he had high expectations.

College Tennis, and Academics

Haas: And tennis, I really learned I think more from the competition and winning and losing than from classes.

Lage: You mentioned your coach, but not his name.

¹In refreshing my memory for this account, I reviewed my father's oral history. I was struck by the completely opposite experiences we had in college, although we both went to Cal. He wrote that he had literally no friends on campus and in fact arranged his schedule so he would have no Saturday classes and could come home to San Francisco to be with his parents over the weekends. I, on the other hand, blossomed during my days as an undergraduate, seldom came home, and got involved in a large number of activities. I made a host of friends, many of whom remain special to this day.--WAH 3/27/95

Haas: Tom Stowe. Tom Stowe was a great tennis coach. He coached Helen Wills and Don Budge and Helen Jacobs and Wally Haas. He was known for developing great backhands, and he was very innovative. He developed new court surfaces, and he developed practice machines that would return the ball to you, and he even developed, I think, a kind of a tent that you could put up so you could play if it rained, because in those days you just played in the outdoors. I spent almost every day of my life while I was in college at the Berkeley Tennis Club, where Tom was the pro.

Lage: Was there a lot of back and forth between the Cal tennis team and the Berkeley Tennis Club?

Haas: Yes. At least some of us.

I don't know if I mentioned the Northwest tours, but in the summertime for two years a group of us would go up to the Pacific Northwest and play in the Oregon State championships and the Washington State championships and the British Columbia Canadian championships and so forth. We weren't good enough for the Eastern tour, but it was just wonderful, wonderful fun.

I got a letter just last week from this woman who is at the Seattle Tennis Club, which was our favorite, having followed me I guess through the baseball team, and having seen my son's picture on the cover of *Business Week* [September 12, 1994], and she recalled the old days. I was delighted to hear, because I do remember Seattle and the girls, and her letter says they always hoped it would rain so they'd spend more time with the visiting athletes, because I guess to them, that was an exciting time, and for us, we were treated most hospitably everywhere, kind of visiting jocks or whatever. [laughter]

Lage: It sounds like it was a lot of fun.

Haas: It was grand.

Lage: You mentioned professors, just by name, in the narrative that we're going to include. Would there be more to say? I know my father used to talk about Ira B. Cross.

Haas: He was in economics. I don't remember them very well, except [Ben] Lehman, and that was great because I got interested in good literature.

Lage: What was your major?

Haas: Economics, in L & S [Letters and Science]. I don't know, I seemed to be very unaware of a lot of things around me.

Lage: Don't you think a lot of college students are? [laughing]

Haas: Well, I don't think they are now, but I really am almost embarrassed that I didn't take more advantage of many of the opportunities of meeting the professors. I was a good student, I graduated I think as an honors student, but I studied because I had to. I didn't get great joy out of my classes.

Lage: Well, some people say college is wasted on the young.

Haas: Yes, right. Well, it's a wonderful experience, and I had one of the best times in my life, but I don't think the studies were the--

Lage: Academics weren't the focus.

Haas: They were not the focus.

Levi's® Jeans, the Uniform of the College Sophomore

Lage: I know that Levi's¹ were the uniform of the college sophomore men at Cal. Was that true when you were a student as well?

Haas: Yes. It started about then. It was blue jeans, really, I guess. And the upper classmen had corduroys. And I know we had a sophomore-freshmen brawl where there was a big fountain--I don't know if it's in Sproul Plaza or wherever--but we tried to dump the other guys into the fountain. I don't remember it very well. I was involved but I was kind of on the fringe, I wasn't a warrior.

Lage: But blue jeans were daily wearing apparel.

Haas: Oh, yes, you wore them every day. And the upperclassmen wore corduroys until they stood up in the corner. But you couldn't be seen as an underclassman in a pair of corduroys.

Lage: What about freshmen? What did they wear?

Haas: I don't remember. I don't think they had a uniform. They just wore whatever. They couldn't wear the other two.

¹Levi's® is a registered trademark of Levi Strauss & Co., referring to the company's products. It is incorrectly used as an abbreviation for the company name and should be followed by the name of the product, i.e., Levi's jeans or Levi's garments. Colloquial uses of the name in the conversational context of this interview have been retained, however.

Retrospection on Alumni Support, and on Sports

Lage: Now, tell me about Bob Sproul. You said he was a family friend.

Haas: Yes, and my parents knew him and Ida.

Lage: Did you have much contact with him other than that one incident that you talked about? [re signing the petition; see appendix C.]

Haas: That one horrible incident. Not really. No, I saw more of him afterwards because we knew Marion [Sproul's daughter] and would go to their house. I remember his big booming voice, and kind of an overwhelming presence. He was a good man. Great president. And then like so many people like that, the twilight of his career ended with a little shadow over the controversy of the loyalty oath. It's too bad, after a distinguished career, there's a little shadow. But he was terrific.

Lage: Let me ask you again about Roger Heyns. Did he agree that Berkeley had a greater alumni support than Michigan, for instance? Did he see a difference?

Haas: I don't think there's necessarily a lot of alumni support. In fact, for a large alumni body, I don't think they've been very supportive. I don't think they've been asked for support properly, until recently. Now there is a huge drive going on, (headed by my brother), just following another major fundraising effort. But for a student body of that size, I think the previous administrations have been very neglectful.

Lage: In reaching out?

Haas: They haven't been reaching out for funds is what I'm talking about now. And of course, they need help with the legislature all the time. I just question how effective they've been.

Lage: So you think more could be done along those lines.

Haas: More should have been done. I don't know about now. They're certainly having terrible budget problems, and I can understand the problem with the legislature. But somehow or other, those relationships are so crucial that--I'm not in a position to be critical, but I think the ground work should have been laid long ago better than it has been.

Lage: Yes, you're right. Maybe getting more Cal grads into the legislature would help.

Haas: Something like that, sure.

Lage: That's changed, the amount of political support?

Haas: Yes.

Lage: Okay. What about football? You mentioned to me, and this isn't in the narrative, the rooting section.

Haas: Well, it's just that in those days you had a male rooting section and a female rooting section, and we didn't have very good teams.

Lage: Oh, you didn't? I thought you had some good teams when you were there.

Haas: Oh, no. We never--I don't think we even beat Stanford. I don't even remember if we beat them the last year. All I know is the year I went to Harvard, we went to the Rose Bowl, so we were building the team.

Lage: The year you were gone.

Haas: Yes, after I left.

Lage: Stub Allison came on as football coach during your time, so maybe you were there during the building years.

Haas: Well, I don't think Stub was building much of anything. It's hard to think back, except going to the game was a ritual and fun, and we never missed them. We saw a few good games.

Lage: Did you follow baseball in those days?

Haas: No. That's another story. I never really--I love sports.

Lage: I'm beginning to see that.

Haas: Now tennis was my sport, and then I loved--we'd go occasionally to wrestling matches, one of the fellows at Bowles Hall was on the wrestling team.

Lage: But baseball wasn't one that you followed, even though Cal had a pretty good team in that era, apparently?

Haas: I guess I didn't.

Lage: What about politics on campus?

Haas: I didn't get involved. My friends did.

Lage: You said Jean Coop got involved, was it?

Haas: No, she got involved in the general strike. I think Vernon Goodin and Willard Goodwin ran for some student body office, and of course killed each other, because their names were virtually the same. But they were members of various honor societies and so forth, and more active on campus activities than I was. I just went to class, and I played tennis, and I didn't have time for this sort of stuff, or the interest.

Jewish Identity

Lage: With the fraternity, you mentioned you were the first Jewish member. Was that a big controversy?

Haas: Well, no. [pauses] I guess when I was there as a freshman, I was rushed. And if I hadn't been Jewish, I would have been asked to join a fraternity. But I wasn't. So this was kind of a breakthrough, I guess, at the time. I didn't join because of that.

Lage: But you were aware of it.

Haas: I was very aware of it, and I think it--I shouldn't say the fraternity didn't have Jewish members, maybe in other chapters in other parts of the country, but they hadn't to my knowledge had one at Cal. I never felt uncomfortable about it particularly, or embarrassed. I guess there were certain situations--

Lage: How about mad? Did you ever feel mad about it?

Haas: That's a good question. Yes, I guess I did. I guess I was angry when I was at a disadvantage as a freshman, because I thought that probably being a fraternity member had a little more, I don't know, prestige or opportunity. We were just in a dormitory.

Lage: Had that been anything you'd been prepared for by your family? Had you had a sense that you might run into that?

Haas: No, that's a good question. No, I hadn't been particularly conscious of anything. We weren't particularly religious, but I never denied my background. We didn't go to temple, and I think--

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Haas: Prior to that there was no great sense of identity.

Lage: But had your parents given you some sense that there may be discrimination out there?

Haas: I don't remember that. I know they were very supportive of Israel, and very generous to the temple and other community needs, Jewish community needs. So there's no question of identity.

But I remember, I was surprised, as a matter of fact, on one of my Northwest tennis tours I really got very fond of a young woman, and she seemed to be quite fond of me, and then after a while she wouldn't see me, and she never gave me a reason. I've reflected on it, and I think probably because I was Jewish her parents didn't want her to see me.

So I was aware of it, I was conscious of it, but it was not distressing or upsetting.

Lage: You had so much going for you.

Haas: Well, I've had a very lucky life, you know, I have. As I say, I've perhaps been unaware of a lot of things, but it didn't bother me.

Lage: Okay, is there anything else about Cal that you want to mention, or the time at Cal? You mentioned the 1934 General Strike. Now, this must have affected Levi Strauss in some way also. Was that part of your consciousness at the time?

Haas: No. Dad didn't bring it home.

Lage: And you, of course, were away.

Haas: I was across the bay.

Well, I think that probably covers Cal.

Lage: We can always come back.

Haas: That's good, because when I review it I keep thinking of things. I've been adding things.

Robert McNamara

Lage: You've mentioned Robert McNamara several times. You met him at Cal?

Haas: Yes.

Lage: And where did you meet him?

Haas: He was very close to some of my fraternity brothers.

Lage: But he wasn't a member of your fraternity?

Haas: No, but he really liked our house better than his own, I think.

Lage: What was he like in those days?

Haas: Well, he was like he is now, misunderstood. [laughter] Brilliant, intellectually outstanding, and really kind of warm and friendly.

Lage: Did he like sports? Was he a sports follower?

Haas: No, he wasn't. And it's so strange, because here I was a jock and they were the serious students involved in school politics, and then thirty years later, I'm not really doing much in the way of athletics, and Bob is climbing all over the world.

Lage: Oh, really? I didn't know that.

Haas: Yes. Well, we started in the Sierras together. Almost every year after the war, the McNamaras, Goodins, Goodwins, and ourselves would go on a pack trip into the Sierra. Our equipment would be brought in by pack train and we would hike over high mountain passes, sometimes over 10,000 feet. We usually started our trip from Bishop and hiked to the John Muir Trail to the Awhanee Hotel in Yosemite. We climbed Mt. Whitney a couple of times and I enjoyed catching small trout in Sierra streams for hors d'oeuvres at dinnertime. The others preferred climbing some of the mountains. We were usually entertained at the end of our trip by Mrs. Tressider, but getting to the Awhanee was a greatly-anticipated goal. The girls would borrow hair dryers from the waitresses, and all of us looked forward to that first martini.

Now Bob is still hiking high altitudes. I think he climbs in the Himalayas.

I remember when we were both trustees of the Ford Foundation, he'd stay at the River Club, and he and Margie would ask Evie and me to come over and have breakfast, and the four of us would play tennis. Of course, the first time I went, I wore my Big C sweater to intimidate him, which I did. [laughter] He was very enthusiastic, but they weren't very good, and we could always beat them.

We did that every three months. It was typical of Bob, when I'd hit a ball or--well, he didn't have a chance to get it, but he

would never give up trying to get a ball that was completely out of reach. I can tell a lot about Bob, and I admire him.

It's interesting, I just got a letter from another author who wants to write a book about him, and asked about the Cal days--I think this is appropriate--I said that I really couldn't tell him much about Cal, because we only got to be friendly as seniors, and I didn't know his parents, and I didn't know his background. But we worked together closely at Harvard, and then we really got to be friends afterwards when we were on several different boards together.

We're kind of segueing into Harvard. He [McNamara] didn't want a roommate, so Bill Hewitt and I roomed together. Bob was across the hall. At Harvard, you study by the case method, so you form little groups, and the three of us plus Dan Lisberger became a study group. It was fascinating because I think I was a pretty conscientious student. And Dan Lisberger was very bright. And it would have been easy just to wait for Bob to bring the answers, but we worked very hard to get our own solution to a problem.

I felt it was like climbing the mountains. We would get to the top of the foothills, and Bob would just listen, and then when we had really thought through all the ramifications we could, Bob would take off and climb the mountain. He was just intellectually far ahead of anybody in the class.

Lage: That's a very nice description. You realized it at the time, and appreciated his intellect.

Haas: Yes. And through the years, of course, when he was in the cabinet, they'd ask us to stay there, and he'd get a call, and, "Damn, that's the White House, I have to go tomorrow for lunch." Everybody was envious.

Surviving Harvard Business School

Lage: A longtime friendship. Shall we move into Harvard?

Haas: All right.

Lage: Tell me why you went to Harvard. Sounds like it was a group of you who went, but what was the idea?

Haas: Well, it was very unusual in those days to go to business school. I don't know what caused me to do it, probably a joint discussion with my father.

Lage: But it hadn't been a family pattern, or had it?

Haas: No, it hadn't been a family pattern, but I think it was traditional in those days for the older son to move into the family business.

Lage: Yes. And you always kind of expected you would do this?

Haas: I thought I would do that. And I guess we thought that it would be the proper preparation, and the best. It really gave you an edge in those days. Now it's pretty common, but whether you got anything out of it or not, I think the fact that you worked for Standard Oil or whoever, and you had a business school degree, at least the superiors would note your activities, your progress, keep track of how you were doing. So you had an edge.

Lage: And why Harvard?

Haas: There was nowhere else.

Lage: That was it?

Haas: Yes. I don't think there was Stanford, I don't know. And it was the best. As a matter of fact, my introduction to Harvard is worth noting, because I was again by then a little more sophisticated, but still relatively naive. I remember well my first gathering--it wasn't a class--I think the whole class got together and the assistant dean greeted us and said, "Gentlemen," and I'd never been called a gentleman before.

He said, "You're gathered here in the finest business school in the world. You have the finest professors, you have the best curriculum, you have an outstanding situation. You, gentlemen, are the cream of the graduates in the United States." It was all men, of course.

"There are a lot of Phi Beta Kappa keys out here, and you've been very important in your student body. You're going to get this magnificent education, and in two years you're going to get a master's degree in business administration, but as far as I'm concerned, gentlemen, you're going to be business eunuchs. You're going to be able to tell people how to do it, but you're not going to be able to do it yourself."

And that was a great introduction, and I've never forgotten it. It really put us in perspective.

Lage: What was he trying to get across to you?

Haas: That you weren't as good as you thought you were. That you're going to get this degree, and by golly, then you had to prove yourself.

Lage: I saw in the notes you gave me "business eunuchs," and I thought, "What is he talking about?"

Haas: Yes. That's it. [laughter] And it was really good.

Lage: Was the East Coast a culture shock for you?

Haas: Yes.

Lage: How was it different?

Haas: Well, I don't know. First of all, Harvard was tough. It was very tough for me.

Lage: The academics?

Haas: The academics were very tough. You really had to work. I suspect, in those days, and maybe still today, part of their strategy was to have you prove whether or not you really wanted to get that education. You could not, or I could not, succeed without a tremendous effort. Weekends, nights, late, hard work.

Lage: Sounds like the same kind of effort you put into the tennis team, in some ways.

Haas: Yes. Except this time, you had to do it to survive.

I think they were trying to test us. If you just came in because your parents wanted you to or whatever, you weren't going to make it. At our introductory lecture the professor told us to each look to the right and to the left. One of you won't be here two years from now, he said, and that proved to be the case.

Meeting and Marrying Evelyn Danzig

Lage: So you spent a lot of time with the books.

Haas: Yes, you bet you did. And of course, my favorite bit is that people would ask--because in those days it was unusual to get the MBA--and people would ask, "Well, was it worthwhile? What did you get out of

Harvard?" Then I'd point to my wife Evie. So I got a lot out of Harvard.

Lage: [laughs] You told me that too, but there must have been other things. We'll get to Evie.

Haas: Well, she's the most important thing.

Actually, I was saying how hard it was at Harvard. I was invited to dinner in New York, before a dance, by Marion Sulzberger of the *New York Times* family. Her parents knew my parents, and we'd been seeing a bit of each other, and I think both sets of parents were kind of clucking about possibilities; maybe I could have been publisher of the *New York Times*, who knows. But in any event, about Friday I called her and I said, "I've just got too much work, I've got this term paper, and I've got to get it in, and I can't come down to New York, and I'm very sorry."

She said, "You can't do that, I'm having a dinner and it's in your honor, and you've absolutely got to come." So I did. I got on the train, and I was studying. At Providence, two very attractive girls got on, the same car, and of course, I noticed them, and apparently they noticed me because I was studying instead of trying to strike up a conversation.

When I got to New York, I went to dinner and I went to the dance, and I noticed both of these girls were at the dance. So I cut in on one of them, and I made the mistake of cutting in on the wrong one, and I got stuck for about fifteen minutes. When I finally was able to disengage, I decided to continue my market survey, market research, and I cut in on the other, and inside of thirty seconds someone cut in on me. I knew that was the girl. And that was Evie. That's how we met.

Lage: How nice.

Haas: I think so many things in our lives appear to be coincidences. I mean, the fact that I was persuaded to come down when I hadn't wanted to, and I get on the same train, in the same car--I don't know how you can explain it, but a lot of situations in my life that have turned out so well just seem to be happenstance, actually. I call them freaks of chance.

Lage: Yes, and sometimes they shape your whole life. It is a wonderful way of looking at things. Now, did you recognize in that thirty seconds that Evelyn was someone special?

Haas: Well, she's damned attractive, and we hit it off well. And of course, I went back and had a couple of dances, and quite a number

of dates. And then the second year I was at Harvard the thirty miles away was kind of a chore. I lost most of my friends, because she said, "If you're coming down, bring a friend for my roommate or my friend," and the girls at Wheaton weren't that attractive. I had a hard time keeping these fellows coming, but I persisted.

Lage: So she was going to Wheaton College?

Haas: Wheaton College in Norton, Mass. She just had her fifty-fifth reunion, and I had my fifty-fifth. She was able to go back to hers, and I unfortunately missed mine. I feel badly about that. Anyhow, that's jumping around, I know.

Lage: Evelyn was from the East Coast?

Haas: From New York City.

Lage: Is that a different milieu to merge in with?

Haas: Oh, my goodness. Oh, I should say.

Lage: You had mentioned how you lived in the same neighborhood your whole life in San Francisco.

Haas: Yes. Well, it was quite remarkable for her parents [Helen and Jerome J. Danzig], I guess, because we didn't have airplanes a lot before that, and to allow their daughter to marry a guy from 3,000 miles away when communications were so slow and difficult I think showed a lot of courage, trust. I really think they still thought there were wild Indians in the West, and the phones didn't work, and this poor little girl was going out there, and it was a very, very tough adjustment period. She was wonderful.

Lage: Did you bring her out before you married? Did she come out and see San Francisco?

Haas: Oh, yes. [laughs] Her parents brought her out over New Year's.

Lage: In what year, now? You were married in 1940?

Haas: I guess this would have been '39, my last year at Harvard, and her senior year, over I guess Christmas holidays.

Lage: So were they sort of looking you over?

Haas: Oh, yes, definitely. There were so many things about that trip--I remember my little cousins came and were very curious about what was happening, and we had a party for the family. And I'm sure the Danzigs felt uncomfortable.

It was the early days of Sugar Bowl [ski area], and Dad rented a cottage in Sugar Bowl for her parents, and my parents, and the two of us, and it was just terrible, because none of them skied. It was snowing and we couldn't get out of the house, and I hadn't seen Evie in three months. We'd been engaged for three months and were going to wait a year--I guess the families felt that it was a big, big step for both of us, particularly for her, giving up the East Coast. And here we were trapped inside the house with our parents--it was horrible, it didn't work out very well. [laughing] But we survived, and moved our wedding date up, to March.

Lage: Did you want your parents' approval for this?

Haas: Oh, yes. I remember I went to Europe, and my parents went to Europe, in '39. Peter and I took a side trip and went bicycling through France, which was nice.

But I remember on that trip going to my father and saying, "I think I've met the girl I want to marry." So it wasn't a complete surprise. I came back early and spent a few days in New York, and then my parents came through New York--kind of waiting for something to happen.

Lage: Did they come and meet Evelyn then?

Haas: Met Evelyn at her parents' in New York, right. It was awkward. It was very obvious what was pending, and--well, we got engaged while they were there. I was up against a deadline! [laughter] I knew if I didn't ask her then, it would be--I didn't know when I was going to get back.

Lage: That's right, you were through with Harvard and going West again.

Haas: Going back to work.

Lage: What kind of a family was she from? Is she from a large family?

Haas: She has two older brothers. The sad thing from her standpoint was that her mother died very soon after we were married. It was kind of around my stint in the army, soon after I got in the army. And then her father came out right after I got out of the service, and he had a heart attack and died in San Francisco.

Lage: Oh, my, while he was visiting?

Haas: While he was here. So she's really never had parents since we've been married.

Lage: That's too bad. Had she been brought up differently?

Haas: No, and she and I were talking this morning. She had the same thing. Her parents were quite different than mine. Her father was an austere, dignified, maybe shy, but quiet man who was a member of the New York Stock Exchange. Her mother was a stemwinder, she was full of pep, she had a little radio show.

Lage: A radio show?

Haas: Yes, she had a talk show, and I remember she had a contest, "What do you want for Christmas?" and I wrote her a long letter saying I wanted her daughter. [laughter] Which I don't think she thought was funny. But anyway, but they went their own way too. Evie loved horses and entered horse shows, and it was too expensive for her father--he said it was too expensive to keep a horse in New York, so she had to ride borrowed horses and show them. And they paid no attention.

Anyway, we got married in New York. Her parents gave us a beautiful wedding in the Waldorf Astoria Hotel. My two grandmothers were there, as was Evie's grandfather, Abraham Wolf, who was ninety-six years old! Most of my ushers came from California, and I remember the night before, we had a bridal party, black tie at the Harmonie Club, and then ended up having a football game between east and west.

We traveled across the country to Los Angeles by train and then took the *Lurline* to Hawaii for our honeymoon. There we stayed at the old Halekulani, which was very romantic in those days, with a view of Diamond Head. Unfortunately, I was foolish and did a little too much surf-boarding and got such a bad sunburn that we couldn't get close to each other for two or three days. Not very smart for a very naive groom.

Thoughts on Being a Parent

Haas: I don't know how I turned out the way I am, and I don't know how she survived that background. We're the same, though. In those days, I guess, in a family of some means it was the way it was done.

Lage: But I was interested that when you had your own children you did it differently, and what the impetus was for that.

Haas: Well, I don't know. I think in those days--. I'd look at all my friends, and I remember thinking that this kid's not going to come out too well because he didn't get the kind of attention from his parents that we were giving ours. And now, of course, we were

amateurs compared to what our children do with their kids. So I think it was just a question of the times.

Lage: And maybe with Evelyn not having her family here, she could give more to her children.

Haas: That may have been. She was just a natural mother, the minute she had a baby. She knew what to do when it cried, but I was lost. But she just instinctively did the right thing.

Lage: Did you--now we're getting into things we don't usually get into--but when they were babies did you do the kinds of things we hear about fathers doing now, changing diapers?

Haas: Oh, I tried. I changed diapers, and if they'd cry in the middle of the night, I would get up--maybe not to the degree that they do now. No, but I was a conscientious father. We loved the kids, and we did things with them. I remember my friends, playing with their kids, and they'd have them come along and carry a golf bag. Because the father wanted to play golf. That was not spending time with your child. We're really lucky. We have three wonderful children, they live out here, and we have a great relationship with them, their spouses, and their kids.

Lage: That's very nice. It adds to your life.

Levi Strauss & Co. Seen Through Harvard Eyes

Lage: Okay, let's see if we have some more on Harvard--any professors there you'd want to mention?

Haas: Yes. One professor, Georges Doriot. He was a little Frenchman. He was the greatest teacher I ever had and a great influence in my life. His course was called Manufacturing, but it was a course in Doriot. He gave us an assignment: "I want you to turn in, once a week, an idea for a new product, something to make the world better. Doesn't matter if you think it's practical under today's techniques, but you think of it."

Boy, it got you thinking. After a while, I must say, we started trading ideas, because it's not easy to think of thirty different new ideas that would make the world better. But I remember in those days one thing we thought of was a way of preserving food, frozen foods, and little things like a typewriter key that could erase, which now, of course, is easy, but in those days it wasn't. It was very thought provoking.

And I remember one story, my favorite story. He had a little French accent, and special mannerisms, I can't explain. But he really--you weren't late, and you didn't miss his class. He said, "Now, all of you are going to be big executives in twenty years. You're going to be running big companies and you're going to have difficult decisions.

"But the hardest decision you're going to have is you have a middle executive who has given thirty years of his life to the company, and he has a family, and suddenly the company's gone past him. He's not up to what he's doing, but he has a loyalty to the company, and you have a feeling of responsibility to him. What do you do with him? What do you do?"

He said, "Praise him to your competitors." [laughter] I just remember that. He had a unique way of teaching. He's one of the few professors I did get to know. He had a special coterie of students that he was attracted to, in the sense of, I guess, maybe seeing their potential or whatever. We maintained a correspondence for many years. We would go back to Boston and he'd invite us for a cup of coffee, or whatever. He was quite elderly when I was honored by Harvard, and he made a special effort to come to it, and I always appreciated that.

Lage: Was he interested in your family business in the course of the class?

Haas: No. Well, Levi's was very small, and quite different. In fact, there was an episode--. I was the candidate for an honors degree, or I don't know what they called it, and you had to appear before a panel of three professors and have an oral discussion and test. I remember they started out asking, "What would you think of giving a flashlight away with every pair of jeans that was bought?"

I took a lot of time by saying, "I don't think that's a very good idea, because I think--" and you've got to realize, I didn't know anything about the company--"you sell your product on quality, and any money you put into a flashlight is going to detract from the value of your own product." I went on, and they sat there kind of stony-faced, and I tried to say it differently a few more times, and they finally said, "Well, thank you, but you know the (I can't recall which company) gives a flashlight away with every pair of jeans."

Well, my answer wasn't wrong. I mean, the whole point of Harvard Business School was to get you to think of alternative ways of doing things.

Lage: There's not one right answer.

Haas: But I felt kind of mortified, and I did not get the honors degree.
[laughter]

Lage: They probably didn't know much about Levi's, because it was so Western-oriented.

Was living in the East different? I'm interested in that cultural difference.

Haas: Yes. I was living in a dorm.

Lage: Were most of the people from the East?

Haas: Yes.

Lage: And you mentioned Evelyn's parents thinking she was coming out to the Wild West.

Haas: Yes. I remember in one class, a fellow was talking about something happening out West in answering a question, and I said, "What do you mean West?" He said, "Pennsylvania." That was the mind-set in those days of some people.

Lage: But you did have your little group of people from Cal.

Haas: Yes. I made friends there at business school too. That's why I was sorry to miss the reunion because--well, a lot of them are missing, but we had a good feeling for each other.

We had a little football team we called the Red Demons--I don't know, it means nothing, but every time we go back, somebody pulls out the picture of all these young guys posing. We won, I guess, whatever championship there was. And of course, I played in the tennis tournament and the squash tournament. And it was interesting to me because I was a squad member of our team at Cal.

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Haas: I was probably the eighth man on our tennis team at Cal, which was a marvelous team. At Harvard, there was just one other guy, and I would always play in the finals with him. Many of them would be captains of their tennis teams at Dartmouth, or whatever, and I always wondered whether I should have been a big frog in a little pond rather than a little frog in a big pond.

Lage: Maybe you should have gone back East to college. [laughter]

Haas: I would have probably been captain of the team and everything else. You know, you think about those things.

And then I learned squash--of course, I learned squash because Dad had a court at our home--but I won the squash championship. So I was a jock at Harvard, too.

The Army: Second Lieutenancy

Lage: Is there any other Harvard-related material? I think when we get to Levi Strauss,¹ which will be next time, I'd like to bring in how you integrated your Harvard experience, but we can save that for next time.

Haas: I guess the only other thing I should mention at Harvard, which leads into the next part of my career, or my life, was that the Quartermaster Corps sent a group of officers to Harvard for business training. They called a few of us together one time and said, "Look, things are looking pretty bad in Europe. It looks as if there might be a war, a major war, and you're all single. You can be drafted. Why don't you take these correspondence courses and become an officer in the Quartermaster Corps?"

Well, that sounded like a pretty good idea, so I signed up. I remember I'd take a course or two and pass it in, and then I guess not long after, war was declared. Things kind of quieted down, and I wouldn't do anything much about my lessons, and then we got married, and the war began to heat up, and I remember Evie would type up my exams for me. One time she got a platoon out of the woods that I had gotten lost!

But anyway, really, that's how I got to be a second lieutenant. I got orders on December 4, 1941, to report to duty on December 8, and I guess the Japanese heard about it and wanted to make a pre-emptive strike at Pearl Harbor, but I went into the service the day after Pearl Harbor!

My first day in the army was memorable because no one knew exactly what was happening in the war. There were rumors that there were Japanese ships off San Francisco Bay or that troops were landing in Monterey Bay and people were generally scared. I had absolutely no training for the army, and when I reported to the Presidio, I wore my Sam Browne belt backwards and saluted sergeants when they should have been saluting me.

¹The company is correctly referred to as Levi Strauss & Co., but some conversational references to the company as Levi's or Levi Strauss have been retained in the interview transcript.

When I took my physical, it turned out that I was underweight for my height. I asked the examining officer to fix the record because I certainly wanted to get into the service, so he shortened me an inch instead of fudging on my weight. I was absolutely appalled and somehow this tainted my respect for military thinking from then on.

I was issued a gas mask and since I had reported to the Presidio in San Francisco, at the end of the day I returned home to our little apartment to my wife and young son. I thought it would be fun to wear my gas mask, which scared the heck out of baby Bob and made my wife furious. She said, "What do we do if there's a gas attack?" I was hardly a hero.

III JOINING THE FAMILY BUSINESS, WAR STORIES, AND THE POST-WAR YEARS

[Interview 3: August 31, 1994] ##

Lage: Before we begin on Levi Strauss & Co., can I ask you a question about your family's 1939 trip to Europe that you mentioned briefly last time? It struck me as such a hazardous time to be in Europe.

Haas: That's right.

Lage: And also being a Jew in Europe. Did it make an impression on you?

Haas: No. I don't think--I guess my family planned it and we went along. As I say, my brother and I went on a separate trip. We weren't particularly--

Lage: You didn't have a sense of--?

Haas: Of foreboding, no. I guess we were unaware. And I don't remember that we went to Germany on that trip; I'm sure we did not.

Lage: Well, it probably would have been a good time not to go.

Were there still family members that you had any contact with in Europe?

Haas: No. No, I don't think so.

Levi's®, the Brand Name

Lage: Now let's get into the Levi Strauss part of your story.

Haas: I want to kind of transition in by saying that during this period I was either taking Evie out, or engaged to her. And I was starting to talk to her a little about the family business, which I wasn't too familiar with, and mentioned that we had the name, that our product was called Levi's, and she said, "Well, you know, it sounds like a good business, but I think you ought to change that name. I don't think it's going to have much appeal."

Now it's probably one of the most best known and most popular and valuable trademarks in the world, and it just seems strange thinking back that we both had some concerns. In the East, Levi's were virtually unknown at that time.

Lage: I didn't realize that the name, Levi's, had caught on that early.

Haas: Well, I guess we had it in college. And of course we made overalls, bib overalls and carpenter's overalls. The waist overall was just one model. There were many that we eventually, as you know, gave up. But it was a name, and it was trademarked.

Entering the Family Business, Valencia Street, 1939

Lage: When did you actually start at Levi Strauss & Co.?

Haas: It was in September of '39. September 25 is exactly fifty-five years ago.

Lage: Was there ever any thought in your mind that you might go elsewhere?

Haas: Never really. When I was at business school I did interview for some other jobs, because they always had people from the major corporations interviewing. I think I was kind of half-hearted, and I didn't do very well, I don't think. I wasn't really getting any job offers. And it was pretty well preordained that the eldest son was going to get in the family business. It was a terribly small business.

Lage: Was it kind of an unspoken preordainment?

Haas: Yes.

Lage: Or did you have discussions with your father?

Haas: I don't remember discussions. I guess it was taken for granted. Yes.

Now, another thing. It was a family company, a small family company, but just because you were a member of the family didn't mean you were going to make it. We had several family members that wanted jobs, and either my father wouldn't give it to them, or they came and they did not succeed. Just because they were members of the family, we didn't keep them in the business. That's important to realize because I don't think that governed--.

Well, our upbringing governed Peter and me, but a lot of people thought how lucky we were to get into a family business, and we were, because it gave us a great opportunity. But we also felt that we had to prove ourselves. And we were probably--I'd work early and I'd work late--as conscientious as we were because we wanted to get the respect of our fellow workers.

Lage: Did the family members who didn't make it not apply themselves or something?

Haas: I think probably they weren't very serious about it, mostly. And there were only one or two. But I do remember that.

Lage: And you saw it as a small business?

Haas: Well, it had been around for a long time. It was perfectly satisfactory, and I guess reasonably profitable. There were a lot of other wholesalers and manufacturers of work garments. And it seemed perfectly acceptable.

I remember Dad was an old-fashioned boss. He insisted that I start at the bottom. My salary as a business school graduate was a hundred dollars a month. Probably I was overpaid. [laughter] But it seemed pretty modest. He wanted me to do every job, and I did. I started out at Valencia Street at the factory, at 250 Valencia.

Milton Grunbaum, and a Lesson

Haas: There are several stories: The first one didn't have to do with me, but it gave me a lesson. Milton Grunbaum was an elevator operator on Battery Street. One day he went to my father, or my grandfather, and said, "This is a family business. I know that a member of the family is always going to be the head of it. I want to rise to the top, and I obviously can't do it here. I'd like to go out to the factory because maybe I can someday be the factory manager." He was just a little elevator operator.

Lage: And young, I would assume.

Haas: Very young. And there was quite a history that I don't want to go into too much. But my grandfather, Sigmund Stern--I don't know what you'd call him, but he spent several months of the year in Europe and long lunch hours with his pals at the Palace Hotel and didn't really--and he turned the business over to trusted lieutenants.

Well, Dad comes into the business and finds out the lieutenants can't be that trusted; they were stealing him blind. There was a big, big blowup and the factory manager, who was a trusted employee, was fired. Milton Grunbaum and two brothers, the Beronio brothers--one [Fred] left, and Dave Beronio stayed, and was a major, major officer and administrator--and Milton Grunbaum became the factory manager. It was wonderful.

At the end of the year, my grandfather called this young man in and said that he had done a remarkable job and they had bonuses they gave to the executives in a good year, and they wanted to give Milton Grunbaum a bonus. And he said, "Mr. Stern, I am poor, I'm supporting my mother, I really need the money. But I can't take a bonus unless you give a bonus to all the factory employees as well."

This was an unheard of thing in those days. My grandfather said, "I have to think about it overnight." The next day he said, "All right, we'll do it." And Milton said, "Well, you can only do it if you come out when I give out the checks." My grandfather did, and apparently it was a scene of utter chaos and elation, that these mostly foreign-born women, mostly of Italian extraction at that time, were recognized as human beings instead of numbers on a sewing machine. They cried, and they laughed, and they hugged everybody. And my grandfather was so embarrassed that we hadn't recognized this that he left early. But I think that's a wonderful lesson, and Milton Grunbaum was a remarkable man.

Lage: And he was your supervisor at Valencia?

Haas: At Valencia Street.

Lage: How old a man was he when you came?

Haas: I guess he was in his fifties by then. He was a little man who was hard of hearing, had a hearing aid, and he was a wonderful labor negotiator because they'd talk and talk and talk, and when the labor people got through giving their side--they'd make a long presentation--he'd say, "I didn't get all that. My hearing aid--" And he'd wear them down. [laughter] He was fair, but he was a good negotiator.

Empathy for the Employees

Haas: But I remember, I did everything. I even tried to make myself a pair of Levi's.

Lage: Oh, really? Cutting the fabric?

Haas: I did everything, yes. Sewing, and it's a much tougher job than you realize. It takes a lot of skill and practice, even though in those days it was so repetitive and boring it was kind of embarrassing.

Lage: Did you benefit from seeing how the employees' lives were?

Haas: Well, I appreciated the fact that this was a repetitious, boring job that paid minimum wage. And it's always bothered me.

Before our directors meeting, coming up this September, they asked the directors their ideas on things. And I pointed out again the inequity, still, between what we pay our mass of employees, the major number employed in the factories, and the rest of the staff, the office staff and sales reps. There's a major discrepancy which bothers me because all of us have benefitted from the success of the company and live lives of great luxury, and we're doing it off the sweat of thousands of people that are still paid relatively low wages. It's been a matter of concern. That's all I can say, and that's when I first appreciated it.

Another lesson I learned from Milton--they had a cafeteria in those days, and they had a couple of ex-sewing machine operators who were along in years who washed the dishes. One day I went to Milton, and I said, "You know, I think it'd be better to buy a dishwasher. It'd save money, be more sanitary." Instead of discouraging me, he said, "Well, that's a good idea. Why don't you make a little study of the costs."

Well, I had gone to the Harvard Business School, so I made a very detailed little study and pointed out that it would save money and be more sanitary if we in fact got a dishwasher. And he said, "Well, that's fine, but here are two ladies who spent over thirty years in the company. What would I do with them?" And I realized that there's more than just money involved in any decision. And that was a lesson that stuck with me.

Lage: This is interesting that some of the lessons are from the time when the company was smaller and more of a family.

Haas: Oh, yes. They shaped my whole attitude, in retrospect, of course. At the time, well, it was a lesson, but it wasn't--people often ask

me whether certain things happened to form my opinion or judgments. And it wasn't a speech, it was just example or discussions, and by osmosis it sinks in.

Lage: Yes, I appreciate that you're letting me know where your thinking was at the time.

Haas: But who could possibly believe this little tiny company--three and a half million dollars--would grow into the biggest apparel company in the world.

Lage: Did you have a vision?

Haas: No. [laughter] No way.

Lage: You didn't get back from Harvard with big plans or high hopes?

Haas: No, no. I know at one time when we had plans to develop something which would involve expansion and some risk, Dad came to Peter and me and said, "Well, why do you want to do this? You've got a perfectly good business here, and it's going along well. Why do you want to take the risk?" And I remember saying, "We can't be caretakers."

Lage: Do you remember what that involved?

Haas: No. It was in one of the series of things that developed as we started to grow.

Lage: "We can't be caretakers."

Haas: No. There's no challenge in that.

And the other thing, people wondered why we kept wanting to grow. And of course, there're a lot of rewards for being bigger. But one of the reasons I was mostly intrigued was that it gave opportunity to our people, and to more people, because if you're a static business you're kind of--everybody's stuck. But if you're growing, there are wonderful opportunities.

And of course my pride and gratification has come from providing opportunities for so many wonderful men and women who've benefitted from the growth and success of the company.

I think that pretty much covers Valencia Street, except [laughing] I remember we always had a Christmas party of sorts. And all the Italian women--they were mostly Italian--would bring samples from home of all different types of pasta and wine and Italian food. I'd go around greeting everybody, and they'd all insist I have a

taste of the wine and this and that. Well, I got home afterwards in a happy frame of mind and suddenly started feeling terrible, really sick.

I was so stupid not to realize! My poor wife finally took me to the hospital. I thought I had an appendicitis attack, and they were concerned, I think they gave me a shot of morphine or whatever it was that relaxed me. And all of the sudden, it was just all this conglomeration of all different kinds of foods and wines. I was sick as a dog. But I remember that!

98 Battery Street, Sales and Shipping

Lage: Now, next, Battery Street. That was the headquarters.

Haas: Ninety-eight Battery Street. It's still there.

Lage: What was it like? Give me a picture of what it was like.

Haas: It was a five-story building, and the first floor, about the front third of it, was office space. And the back two-thirds were tables where our product line was displayed. It was mostly, three-quarters of it was wholesale. Sweaters and blankets and sheets and socks and dry goods.

Lage: You were jobbing.

Haas: We were jobbing. And then we had about a quarter of our line in manufactured products.

The top four floors were the stock rooms where we maintained inventory. And the basement was the shipping department. Goods would be collected in the freight elevator and sent down to the basement and collected. And Battery Street was our shipping dock, and it was incredible--I guess the family had some relationship with City Hall!--because everything would come up in the basement in a sidewalk elevator. This was for the whole business. And these trucks would back in and block off three of the four traffic lanes while they loaded up.

Lage: It sounds a lot like San Francisco today. [laughing]

Haas: Well, yes. There's plenty of traffic. But this, I guess, was not unusual.

I spent time working in the basement. And I was a floor salesman, which meant that people would come in from small country towns to fulfill their requirements.

Lage: So, they would come to you.

Haas: They'd come to us, and we'd fill the order that day.

Lage: And they would take it off with them.

Haas: And they'd take it off with them, yes.

Lage: What kind of companies were you selling to?

Haas: Retail stores, small retail stores. We had a slogan those days: "Patronize your hometown merchant. He's your neighbor." And that was it. And that's why some of the decisions we're making today go so hard because those small merchants in rural communities really built our business.

In those days we didn't have a brand that was well known. We were not selling to the major retail stores. And small orders, credit risks--I'm just trying to visualize some of the old prices. I remember our advertising budget was 2 percent, and we thought that was a lot.

Lage: Two percent of your gross sales.

Haas: Yes. I don't know what it is now. Probably between 5 and 6 percent.

Costs and Competition

Haas: Our retail price on Levi's was \$4.95. As costs went up, and denim prices went up, we kept postponing it and postponing it and postponing it, because we thought that if we broke through that five dollar retail price it would destroy the popularity of our number one product.

And that reminds me, we bought our denim from Cone Mills in Greensboro, North Carolina, and that was the only mill. They made a special denim for us. A man named Saul Dribben was the head of it, and he and Dad had a wonderful relationship. Dad did the buying, Dad and Dan. Every quarter we'd place an order for the next quarter's denim.

Dad said, "Saul, you're our buyer. You know what's going to happen to cotton, you know if we should buy heavy or buy light." And that was the arrangement. It was complete trust. Saul Dribben of Cone Mills was really the buyer of our major resource material.

Lage: Did he have a lot of other accounts as well, or were you pretty much his mainstay?

Haas: Oh, I think we were a small account for him.

We were a small business compared to others. As we started to grow, Blue Bell--Wrangler--who were run by, I think, kind of a bunch of guys in the South--they started hearing of this upstart in the West, and they vowed to crush us and put us out of business.

There are several companies that I remember--McGregor was one name, McGregor Sportswear, their sales were \$50 million, and we weren't even \$10 million.

Lage: Other companies who had similar lines of clothes? They used the blue denim?

Haas: Yes, but nobody else had shrink-to-fit. Actually, Abercrombie and Fitch, which was a well-known retailer in those days, advertised in their catalogue, "Guaranteed to wrinkle, shrink and fade. Levi's. \$4.95." That was pretty funny.

Lage: I'm glad you mentioned the competition.

Haas: Yes, well it's hard to realize now. The eastern companies were bigger.

People Lessons from the Army

Haas: I guess that was about it. And then I was called up into the service.

Lage: What is this little note about "list of things to do"?

Haas: Well, when I was called into the service, anticipating I would return to the business I made a list of things I thought the company should be doing to improve, and perhaps develop. And I remember looking back on it, and they seemed so small after some of the decisions we eventually had to make. They were so relatively unimportant. I was young and the business was small and my focus

was small. I won't say it had to do with saving paper clips or something. Anyway, I did make such a list.

Lage: It's too bad we don't have a copy of that list. That kind of thing is very revealing. Now, I'd like to find out what you did in the army, what you learned there.

Haas: Well, as I said, I actually went into the service the day after Pearl Harbor. I was in for fifty-two months. And I certainly did not have a very distinguished career. I went where I was supposed to, I went where I was ordered, but I never got out of the United States. I was in the Quartermaster Corps because of this course that I mentioned earlier. Because of my commercial background, I guess, I got into the post exchange division, running the retail stores for the army.

Lage: Did you learn anything from that?

Haas: Oh, yes. I learned a lot. The first thing I learned was--I was a second lieutenant. And according to the army, if you're a second lieutenant you can run a bakery, you can run a post exchange, you can fly an airplane, you can lead a platoon. And here were hundreds of thousands of us who had never had that experience and were thrown into a situation, and we did it. We learned to fly airplanes, and we learned to do all these other things.

That really affected my judgment of people afterwards, because I really didn't care as much about their education as I did about their dedication and intelligence. And I felt that unless it was a very technical thing, such as a computer today, that if somebody had the ambition to do something, and applied himself or herself, they could succeed. And that's a very important thing in terms of my decision-making about people.

Lage: And that's something you were conscious of.

Haas: I'm very aware of it, yes.

Lage: Stepping into a leadership role as a young person.

And PX Responsibilities

Haas: Yes. I think that's the lesson I learned from the army. I got in the post exchange because Colonel Robert Roos, who used to run Roos Brothers--I don't know if you remember the name, even.

Lage: I remember the name.

Haas: He was head of the post exchange, and he knew of me, so he asked for me and there I was. With my limited background I became an auditor of the post exchanges. And then I moved up and became his--I guess I was third in command under him.

I remember the first assignment I had was, it was the day after Pearl Harbor and there were isolated units of military up and down the coast, and it was my job to develop a plan to get post exchange products to them. And looking back, it was a good challenge!

Well, this went on and on, and then finally about a year from the end of the war they decided they needed to set up a warehouse to receive back all the surplus exchange material that was out in the South Pacific, and they gave me that responsibility.

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Haas: They had the Post Exchange Service headquarters back in Salt Lake City and I thought, well, why go back to Salt Lake City? So I looked around and I found--Stanley Hiller had helicopters, and he had a big, big warehouse in Palo Alto--and I found it and I rented it. And I spent my last year in the war ten miles from where we are sitting right here. But it was more convenient.

Lage: It made sense.

Haas: It made sense; the surplus exchange material came across the Pacific.

I remember one time--they had a spur [railroad] track in it. And some part of the army that had the libraries and books and all that research material wanted to use part of the warehouse. My colonel said, "Don't let them in." So, the day they came to inspect I had an engine come in billowing smoke to make a delivery. And they knew that would wreck their books if they had all that steam and smoke. [laughter] So we never had to compete with the library. Those are kind of minor things.

Lage: Were you eventually given more responsibility or bigger assignments than you had been?

Haas: No, I had no real responsibility then or even much thereafter. But I had a small staff and responsibility for running the warehouse and that was good.

Lage: Did you learn about the retail business at all? Did it give you an insight into that end of things?

Haas: To some degree, yes, yes. It was obvious. When I visited the exchanges and did the audits, obviously it was more than just the bookkeeping. I had to see how they were displaying the goods, and if their inventories were in balance, and a few things like that.

Lage: Did the exchanges handle Levi's?

Haas: Well, I'm sure they did.

The big boost that Levi's got was in Europe--that comes later, when we get into our expansion overseas. But the GIs would buy the Levi's and sell them on the black market, and that's really how the demand developed for Levi's overseas.

Lage: Anything else about the war that we should know in terms of your development?

Haas: I don't think in terms of my development. [laughing] It's not a very flattering story, but Bob was about three years old then and we rented a house in Palo Alto. I remember when we first got there, of course I was in uniform, and a little neighbor's kid and Bob struck up an acquaintance and this little girl said something about, "I see that your Dad's in the army." He said, "Oh, no. He's in the house." And that's about the way it was, because I didn't get into a war zone or see combat.

I did get orders to go to Karachi, India, and it happened to come the morning of our wedding anniversary. I was scared to death, of course. I had thought we'd celebrate the anniversary, and we planned to go to Trader Vic's--in Oakland at the time, the original one. I didn't want to tell my wife [about the orders to India] and I remember we went over, and I didn't drink much in those days, and I had three Mai Tai's and I was cold sober.

A few days later the orders were changed, so I never did go overseas. I think that's it. I was in the army over four years, and it was not an easy time, and we were newly married. What can I say? We made it. [laughter]

Entering Management, and Critical Early Hiring Decisions

Lage: Okay. So back to Levi Strauss.

Haas: All right. One thing I do want to say, and the timing of this is going to be difficult, but my father and my uncle were wonderful in the sense that they brought Peter and me into management decisions

very early. So I think a lot of things that happened--and I don't want this misunderstood--but a lot of things that happened, some of them were our ideas, but we were involved in the decisions that changed the company long before we had official titles.

I've got to give them credit for that. It wasn't easy. And particularly Dan Koshland, who didn't have any--he had two daughters and a son, but he welcomed us, he encouraged us, and he never seemed to resent the fact that none of his children were in the business. And of course, they have been very successful in the field of science.

Lage: Did his daughters also go into science?

Haas: Well, no. But Sissy [Frances Koshland Geballe] married Ted Geballe, who was involved in science. And Phyllis married Howard Friedman, who was a wonderful architect and was involved in a lot of Levi buildings. He built all of our factories during this growth period and developed a model factory kind of thing. He was a wonderful, wonderful--a fine architect, but a wonderful friend and counselor, and sensitive, knowledgeable about relationships within the company and without. Also Dan Koshland, who married Bunny [Marian E. Koshland]--both nationally recognized for their achievements--and on the faculty at Berkeley.

Lage: So the relationship with your uncle was equally good.

Haas: Oh, he was terrific, yes.

Now, you asked about key factors in our development. And Peter and I were involved in these, and I think this is kind of a good place to just outline it without getting into detail. Because how could you have growth like we did? It kind of seems like it "just happened" but it didn't "just happen." There was a lot of planning and a lot of thought, and many tough decisions, which were available to all the other companies who were bigger and stronger than we were, but they didn't do it. And I have about a half a dozen of them listed here.

Lage: When we talk about them, if you can remember some of the discussion that went on, some of the factors that were considered, these would be important to record.

Haas: Well, the first one, and that really came from Peter and me, was the decision to hire some college and business school graduates, because all our executives, hardworking and conscientious, had come from the shipping department, or from the sales force, or--. And they were very, very able and nice. But they didn't have the educational background or the breadth of vision that a larger business would require. So, we got permission to do that.

Lage: Was that difficult?

Haas: No, I don't remember that. I don't think so.

Lage: I mean, after all, your father sent both of you off to business school.

Haas: That's right.

I remember we hired three. One was Mel Bacharach from Cal, and Mel ended up eventually as an executive vice president. We hired Art Roth from Stanford, and Art became a key executive, and then became head of advertising and a member of the board of directors. We also hired a fellow whose name I don't remember who didn't make it. But that was certainly a major decision.

We groomed them and they became--Mel became an assistant to Bill Lagoria, who was sales manager. And Art became an assistant to Dick Cronin, who then was advertising, a funny little guy, nice man, who promoted our popularity with cowboys and the rodeo circuit, but his vision was limited.

Lage: He saw it mainly as a western thing.

Haas: Yes. So, that was a major decision.

Lage: Do you remember how you chose these people? Did you have any connection?

Haas: Well, no, I don't know. I don't even know if I did the interviewing --I must have. I don't remember how, but we selected well. I mean, we got two really top-flight people who made their whole life at Levi's and contributed tremendously.

Discontinuing Wholesaling, and Anticipating Baby Boomers

Haas: The second decision, which really took a lot of courage, was to discontinue the wholesaling operation. The reason we did that was that there was little profit in it. The wholesalers would take the big accounts, big retail accounts, and sell them directly, and leave the little accounts, which are expensive to service and didn't have the best credit rating, to the manufacturers like ourselves.

I remember there were two or three other major wholesalers in San Francisco at the time. None of them survived any length of time. Of course, there's more profit, more opportunity in promoting

your own brand, but wholesaling was three-quarters of our business and we did--

Lage: And when you discontinued it, it was still three-quarters?

Haas: We didn't do it all at once. We phased out one department and then another over a period of several years. But we did it without letting any employees go, which was very important to us. Instead of just downsizing, or whatever people do today, we were able to accomplish this over a period of time and still maintain and, in fact, grow our employee base.

Lage: It sounds as if you did a bit of a study in terms of the profit.

Haas: Oh, gosh yes. There was a lot of thought and planning.

Lage: Were Mel Bacharach or Art Roth in on those discussions?

Haas: They weren't in on anything initially. They weren't in the inner circle yet.

Lage: This idea came mainly from you and Peter?

Haas: I think it did but Dad and Dan were certainly involved. The next thing, I guess, and this was the big thing, was to recognize the World War II baby boomers. We really shifted our marketing thrust from cowboys, farmers, working men, to the young people of the country.

Lage: Now tell me if you can remember how you recognized that, when you recognized it.

Haas: Well, it's such a simple concept. It's not like a light goes on all of a sudden in a moment. It was just there. I guess--in the back of our mind, with the previous moves we'd made or were making concurrently--that we wanted the business to grow. And here was a market just waiting. This is where our competition missed out, I think.

Lage: I see. So, this is kind of the key.

Haas: That was the key.

Lage: How did you know that the youth would pick up on it?

Haas: Oh, we didn't, but we decided concurrently to develop lines for them; we got out of just waist overalls, and we started to expand the line. We got western shirts for a while. Then we got casual slacks and white Levi's--we called them white Levi's, but they came

in all colors--just trying to develop a product line that would appeal to young people.

Lage: So it wasn't just marketing to young people.

Haas: Oh, no. We had to shape the whole product line. And this, of course, was probably the most important decision, because the business began to explode.

Lage: Now, how did your father and uncle feel about that decision?

Haas: Well, they certainly were very proud of the progress of the company. And I think--I don't want to put them in the wrong light because they did encourage us, and they went along. They were very comfortable with what they had, but they felt that if this is what we wanted to do they'd support it. And they were wonderful.

Differences Between Dad and Dan

Lage: Was there a difference between the two of them in, say, how much risk they were willing to take?

Haas: Well, yes. It's funny, because they are as different as Peter and myself. Dad was really the business man, the financial man. He had a wonderful mind. He could look at a balance sheet and in two minutes tell you everything you had to know about the company.

Dan was a Phi Beta Kappa, a bright, nice man, gentle. He loved people. People loved him. He was very concerned about people and for people. He was a wonderful partner for Dad and kept things in perspective. Dad was the business man.

Lage: Did your uncle give more of his stamp to the social responsibility thrust?

Haas: I think so, yes. Dad had good instincts and was very generous philanthropically. It's just a different focus they had and interest they had. It was the perfect balance.

Lage: Did they work well together?

Haas: Yes, as far as I know it was fine match. Dad brought Dan in because he wanted a partner. Dan, I think, was in the investment business back East, but married Dad's sister. So, he's my uncle, obviously.

I would say that Dad and Dan had a wonderful relationship through the years. They worked very closely. They each had different qualities, but they balanced each other, and the business thrived, and they were highly respected in the community. They had different interests but they did things together and they supported each other. And it seems such a strange coincidence that they died within ten days of each other. It seems so appropriate that, having been together so long, one didn't have to survive the other and carry on.

Lage: Were they quite devoted to each other?

Haas: Oh yes. I think so. It was a wonderful partnership.

Expanding, Advertising

Haas: So we expanded our line. And then we decided to expand geographically. Demand for our product was growing. When I first started we only had one factory, and that was on Valencia Street. Then we got one near the end of World War II in San Jose, kind of a second story on the top of a Greyhound bus depot, I think. And from there, I think, we went to Wichita Falls.

Lage: Wichita Falls?

Haas: Texas. That was a major change.

Lage: Why did you move so far away for your factory?

Haas: Well, we were beginning to sell back there. You know, Texas is big cowboy country and well, my goodness, going back--for instance, when I started we had one salesman, Martin Kulik. He handled four states: Arizona, Texas, Oklahoma, and New Mexico. I don't know how many sales reps we have there now, I think we had eleven sales reps in the whole company at that time. I knew everybody in the business, personally. It was such a small operation.

Lage: When you expanded geographically, did that bring you more into competition with Wrangler and others?

Haas: Oh, you bet. You bet.

Lage: You had mentioned that Wrangler was going to try and drive you out of business.

Haas: I guess they figured they were big and strong and they could. I don't remember that they used any special discounting tactics or whatever; they just weren't able to do it.

We did advertising with a small agency, Leon Livingston, and the account executive's name was Bill Day. I mention him because he was a remarkable man. This was his only account, and he really cared about Levi's. He took great pride in them. He was really like a company executive. We would consult with him. He was in on many major decisions. He was really almost an honorary director.

I mention his name because--even though he was kind of an executive, he was respectful of Dad. And one time Dad and I were there, and Bill Day came along. We started up a conversation and Dad, who had a wonderful sense of humor, said, "Bill, you've been in advertising a long, long time, and you've had a lot of accounts. Have you ever seen an account grow as rapidly as Levi's has in the last five or six years?"

And Bill Day, not being obsequious, but being deferential, said, "No, I never have, Mr. Haas." And Dad said, "Well, I guess it's not the advertising." [laughter] We had a growth of 20 percent compounded every year for about twenty years. [See sales figures, following page.]

Lage: And when did it start to take off?

Haas: Well, let's take a look. We have those figures. It started, I'd say, in the late forties, and it just went up.

Lage: Now, at the time, what was it like for you?

Haas: It was exciting. It was hard work. It was the kind of thing where you work twenty-four hours a day, and it's on your mind all the time. I don't mean it was obsessive. It wasn't obsessive, but I don't think--I think my best ideas have come when I'm on a camping trip in the Sierras. It was with me all the time. I lived it. I was proud of it. And who knew how far it was going to go, but it was very rewarding because, oh, just because what we were doing turned out to be correct, and it was very satisfying.

Developing Some Early Key Relationships

Lage: People like Dick Cronin, who'd been with you for so long in advertising, was he able to adjust?

69a
LSICO SALES HISTORY
FY'1850 - FY'87

FISCAL YEAR	DOLLARS (000)	UNITS (000)	AVG. UNIT SALES PRICE
1850-1919	NA		
1920	5,185		
1921	4,137		
1922	1,355		
1923	4,542		
1924	4,454		
1925	4,473		
1926	4,478		
1927	4,228		
1928	4,092		
1929	4,248		
1930	3,537		
1931	2,845		
1932	2,138		
1933	2,567	50,000 (ESTIMATED UNIT VOLUME SHIPPED BETWEEN FY'1850 & FY'44. ACTUAL RECORD NOT AVAILABLE.)	
1934	2,629		
1935	3,117		
1936	3,178		
1937	3,431		
1938	2,972		
1939	3,341		
1940	3,260		
1941	4,347		
1942	6,448		
1943	6,374		
1944	5,788		
1945	5,763	2,500	2.31
1946	8,369	3,600	2.32
1947	12,010	5,100	2.35
1948	16,087	6,800	2.37
1949	17,913	7,500	2.39
1950	21,978	9,000	2.44
1951	22,742	9,200	2.47
1952	25,679	10,200	2.52
1953	30,741	12,000	2.56
1954	28,384	11,000	2.58
1955	30,588	11,600	2.64
1956	34,597	13,100	2.64
1957	39,849	14,900	2.67
1958	42,323	15,700	2.70
1959	48,841	17,700	2.76
1960	49,935	17,900	2.79
1961	51,100	19,100	2.68
1962	60,400	22,054	2.74
1963	85,400	27,287	3.13
1964	111,500	34,739	3.21
1965	136,500	42,756	3.19
1966	164,300	45,111	3.64
1967	176,500	46,446	3.80
1968	213,500	54,331	3.93
1969	269,000	62,946	4.27
1970	349,500	74,133	4.71
1971	432,000	83,298	5.19
1972	504,100	105,800	4.76
1973	653,000	125,000	5.22
1974	897,700	143,100	6.27
1975	1,015,200	142,800	7.11
1976	1,219,700	153,900	7.93
1977	1,559,300	176,600	8.83
1978	1,682,000	178,200	9.44
1979	2,103,100	202,900	10.37
1980	2,840,800	256,140	11.09
1981	2,851,200	243,924	11.69
1982	2,572,200	222,149	11.58
1983	2,731,300	242,128	11.28
1984	2,513,500	225,072	11.17
1985	2,583,800	217,785	11.86
1986	2,761,700	209,932	13.16
CUMULATIVE TOTAL	31,071,263	3,575,431	8.69

Haas: It was difficult. I mean, with all respect to the old-timers, we couldn't have done it if they'd been calling the shots. They made many contributions, but we needed the creativity and vision of the younger people we had brought in.

Lage: How did you handle it [the relationships between the old-timers and the younger generation]?

Haas: Well, we made these young fellows the assistants, and it became a departmental decision, and Cronin was part of it, and so forth.

Lage: What about Bill Lagoria? Did he have the vision?

Haas: Same thing. He was a wonderful man, who did many good things. Everybody loved Bill. That reminds me of a story. I don't know whether it fits in--but I had the idea along the way that for young kids we ought to have a double-knee jean because youngsters my son's age went through the knees first. And if we had a double layer of denim there, that would, I thought, be a good practical pair of jeans. Bill didn't like it. And so it never really got off the ground.

A couple, three years later, he came to me with the idea that we ought to have a pair of double-knee jeans. I said, "Great." And it was a success. There's another lesson learned. You can't dictate ideas. They have to be generated, have to be accepted, by the individual who's responsible for carrying out the situation.

Lage: Now, these early years must have been a time when you and Peter were kind of working out your relationship. Do you remember anything that would reflect on that?

Haas: Not really. Peter and I--it's remarkable we continued this long as partners. His interests, as I told you, were different. And we just went, I would say, somewhat independently.

Lage: Was it ever a formal thing? Like, "Peter, you oversee these departments."

Haas: No. We were working in different departments. One of my other favorite stories was--well, I ought to bring a couple of them in. I was in returned goods, which is handling customers who are dissatisfied with whatever it was they'd purchased. I went to Mr. Beronio, who was general overseer of all office activities, credit manager and office manager, and said I needed to respond to some of these letters and I needed a secretary. This was right after I got out of the service.

Lage: This was when you were just--

Haas: Yes, getting my feet wet.

He said, "Well, we really don't have anybody who's qualified, but we have this young woman who is in the secretarial pool." I said, "Let's try it," and it was Rita Guiney. And Rita--I don't remember who was more nervous, she or I, when I dictated my first letter. But that was the start of a most unique relationship because Rita is a nonesuch. She is really part of our family, still. After about forty years, she retired. But she's still--

Lage: But did she remain your secretary all along the way?

Haas: Well, she became an executive assistant, and I suppose--there's no question in my mind that if there'd been a different attitude towards women that she'd have been a top manager and perhaps a board member in the company. She ended up as a vice president. Also, she was responsible for the company's fine art collection, which she assembled with very little support from management.

Many, many times we'd try to make a job description, and there was no way to describe what she did for the company. She was secretary for the board, and took care of the board, but more importantly, she got a sense and tone of what was the feeling in the business. People could come to her with any story, and she'd maintain the confidentiality of that discussion. If it was something she thought we ought to know about she'd let us know about it without revealing the source.

She was so loyal and defensive of the family, and supportive. You know, the kids would call from college and ask, "I need some more money in my allowance," and she'd say, "Not today," or whatever. [laughing] I'm jumping around. Rita was fantastic. So, that's when Rita entered the picture. She is as close to being a member of the family as anyone who is not related.

The other story I would like to mention was, I got back a pair of jeans that had been worn out and patched and repatched, and finally they cut the seams. We had a guarantee, a new pair free if they ripped, and the mother had said, "The seams ripped."

Well, in true Harvard Business School style I'd learned that if you have a complaint, that's the chance to make a friend. So, I wrote a long letter back explaining that we stood behind our product. But this was an unfair request, that they'd had more than adequate wear, and we appreciated her returning them but really it was an unwarranted return.

About a week later I got a letter back. It should have been written on asbestos, it was so blistering. "How can a company of

your reputation take an attitude like that?" She just ripped me up and down for not standing behind the guarantee.

I took the letter to Mr. Beronio and I said, "What did I do wrong?" And I remember his looking down over his glasses and looking at the letter and saying, "You signed your name so she could read it." [laughter] There was no lesson in it, but it was a wonderful story.

Integrating Office Staff

Lage: Now, I see here a note about Lois Loss?

Haas: All right, Lois Loss was our first female officer going back thirty years now. And I only mentioned it because she was an officer, and in fact she wasn't really an officer. She was an officer so she could sign checks and a few things like that.

But oh gosh, then we start getting into the whole story of integration.

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Haas: I hired the first black member of our office staff. His name was Booker T. Washington, and he was just a warehouseman, although he ended up as a shareholder. He was married to a schoolteacher. He was a former musician, and he led kind of a wild life. He really worked out to be wonderful employee, and emissary, because when he retired he said he was the largest black stockholder in the company's history. And he and his wife would travel through Europe, and they'd call on our plants. He was a wonderful man.

Lage: When you hired him was there a feeling that this was something monumental?

Haas: Oh, yes. It was a conscious attempt to begin to bring in minorities. And the reason we did it, first of all, we felt it was the proper thing to do. It was long before it was the law of the land or required in any way.

Lage: Was it before there were civil rights protests?

Haas: Oh, yes. [Booker T. Washington was hired August 16, 1946]

He was very conscientious. He came to me one day and he said, "Mr. Haas, I know you're going to hire another colored man, but

could I interview him first, because I want to be sure you get a good man. I don't want him to ruin my opportunities." It was very interesting.

Lage: And so did you have him do that?

Haas: Yes. And then we hired our first [black] lady. She worked in what was then the mezzanine, which was kind of our key punch operation, full of computers. And Lois Loss complained, said, "I'm not going to use the same rest room facilities as that woman." And I said, "Well, then you'll hand in your resignation." And she backed off.

Lage: My goodness.

Haas: So, you know, those things weren't that easy. But they all worked--they happened to be carefully selected, and they lived up to expectations, and they got the respect of their fellow workers, and it moved on from there.

Lage: Do you have any sense of what motivated you to take that step?

Haas: Well, yes. I thought that the--it's hard to project back to those days, and I don't want to attribute more to my moral sense than anything else--.

It was a selfish thing to do. There was a great inventory and pool of resources out there that we were denying ourselves the use of. Basically, there was a lot of talent, and we weren't taking advantage of it. And of course, starting with a warehouseman isn't very earthshaking, but Booker ended up as the executive chauffeur, and he was so proud of being executive chauffeur.

He was, I guess, what you'd call an Uncle Tom now. I remember going out to Mission District to call on a kind of a radical bunch of young black kids who we were trying to help, and he said, "You shouldn't go to places like this."

Lage: So he might have been a little more conservative than you were on racial issues.

Haas: He probably was.

Good Coaches Made Good Salesmen

Haas: I want to mention two more personnel-related things, because I did become personnel manager.

The first thing was that when I was hiring salesmen I decided-- and I was always interested in athletics--that some real good candidates would be assistant football coaches. There was a lot of turnover in the coaching staffs. I figured an assistant football coach was used to traveling, was used to working long, long hours, and was used to selling, trying to sell a high school prospect on coming to Berkeley or wherever. And they weren't paid very well.

So I hired a bunch of assistant football coaches along through the years. One of them is Bill Taylor, who's the vice president in charge of retail operations now. I would say that universally it worked out very well, because they had the work ethic and the experience of selling. And they were young, and they were ambitious, and they were underpaid.

Lage: And they didn't mind the change of professions?

Haas: No, no, and the geography made no difference. So, that was kind of an unusual approach, but it worked.

Lage: Well, it shows me that you were really analyzing the qualities that make a good salesman or a good employee.

Psychological Testing for Applicants

Haas: Then the other personnel matter. I didn't know much about testing but I knew that Stanford had put out some sort of a little psychological test for use in personnel screening. I didn't prepare myself properly, I'll admit that, but I did start giving it to people I was thinking of hiring, in kind of an ignorant way. But it helped me, it helped me because it'd at least screen out some that I sensed were not too well qualified, and this would confirm it.

The reason I tell this story was I finally decided to give myself the test. And I rated in different areas in varying degrees, but the lowest score I got was as personnel manager. So, I went to Dad and I said I think I ought to change. I was the wrong person to be a personnel manager in a family business in the first place. People can't come to me and tell me their problems, real problems. And a good personnel manager in a small company has to be able to counsel with employees in a way that I wasn't able to. But that shows, you know, everything wasn't all smooth and what it should have been.

The Key to the Executive John

Lage: What was your position after personnel manager?

Haas: I don't remember. I probably became a vice president.

Let's see, we haven't done the integration of plants. And that's a big story. And the executive john, that's my favorite story.

Lage: Do you want to tell that now since your mind is on it?

Haas: Sure. Well, this is jumping ahead. But through it all as Peter and I moved up the ladder our salaries were very modest. That didn't bother us particularly, except you somehow wonder about--but this was Dad's idea.

Well, in the back of the building were the two johns, and there were three stalls in the men's john, and one had a key that only Dad and Dan used. And as we moved up the ladder, Peter and I were never offered a key to the executive john. And this kind of became a little joke between us. Finally I was made president, and Peter was made executive vice president, and we got a modest raise, but no key to the executive john.

It was still a small office, and every morning my uncle would take his mail, and the people would see him walking towards the back, and five or ten minutes later he'd come back to his office. And then Dad would take the newspaper and would go back. Everybody knows what's going on in a little office, and everybody was in on the fact we didn't get a key to the executive john. So what did we do? We changed the lock.

So, everybody was in on this too. [laughing] Dad and Dan were in town. And forgetting there were two other stalls, of course, Dad came back in a panic, showing his key. Then, Dan, the two went back there, and of course they never could get in, and that was kind of a funny joke. But that's not quite the end of the story, because the sequel was that they took the lock off the executive john. And to this day I've never gotten a key to the executive john. [laughter]

Lage: That's a wonderful story.

Haas: Isn't that fun? And that kind of leads into the presidency. A lot of these things might have happened after I was president, I don't know.

Lage: Well, I know it's hard to delineate time, but I think this is enough for today.

IV LEVI STRAUSS & CO. MANAGEMENT, GROWTH, AND PEOPLE, 1950S-1960S

[Interview 4: September 2, 1994] ##

Three Generations in the Family Business

Lage: You wanted to begin today with some thoughts carried on from our last session.

Haas: Yes. You were asking about the transition to my presidency, and I can't remember how many of these things we're talking about happened before or after I became president, or were kind of an ongoing or a developing program. There's no particular date on them. But I wanted to get back to a couple of things.

First, I mentioned the fact that not every member who came in the business stayed with it. And a perfect example is my nephew Peter Haas, Jr. You know we had a tradition of partnerships, my father and my uncle, my brother and myself. And though Peter is considerably younger than Bob, he came into the business, and I guess it was perhaps hoped that they could work as a team.

Peter held a number of middle management positions both here and in Europe, but after several years he decided that he wanted to spend more time with his family while they were growing up. Most senior positions require extensive travel. So he retired and pursued his interest in community service, but he continues to serve as a director on Levi's board.

Lage: Had he gone to business school as well? Was that his preparation?

Haas: He graduated from Stanford and then went to Harvard Business School.

Lage: So, it's not a family team now, at least.

Haas: No, it isn't. And looking down through the next generation it's pretty hard to see where there's any family succession, unless there

are some marriages--. But the grandkids are all pretty young still. So, that's one of the major problems facing Bob.

Lage: Well, Bob is not very old, after all.

Haas: No, but Bob has worked very, very hard, and works terribly hard--I think he enjoys the challenge, but I don't think he's going to stay on the way I have or his predecessors have. I think at a fairly early age he'll like to be eased of the burden. But I know he feels a strong responsibility, and we'll just have to see what happens.

Employee Stock Purchase, and Family Shareholders

Haas: I think one of the key things to our success, which I haven't mentioned, is the employee stock purchase plan. That was a wonderful program. Once a year we would have a distribution of shares and employees could buy shares in Levi's at book price. The shares were restricted, so that if the employee left the company for any reason the company had the right to buy the stock back at the then book value. And during these years, you can see the growth of the company, the book value kept increasing, and it was a very, very good investment. It gave them a sense of proprietorship and participation.

I think one of the hardest things when we went private, for me, was to have to buy those shares back because these were unsophisticated investors. They had no idea what to do with their money. I gave you a list of thirty-plus of our employees who became instant millionaires when we went public, because obviously the stock price was greater than the book value by a huge margin. Then when we went private, we bought all those shares back at a fair market price. The only way to go private was to take the shares off the market, and that was a very difficult experience.

Lage: When did the employee stock purchase plan start? Early on, didn't it?

Haas: I think it was in existence when I came into the company.

Lage: And was it offered only to the higher levels of employees?

Haas: No, no. It was offered to--. Well, factory employees couldn't afford it; they couldn't afford to put money into equities. But it was staff--I mean, we had Booker T. Washington, I mentioned him earlier, and secretaries.

We had a little allocation committee--I guess it was my father, my uncle, Peter and myself--and we kind of tried to weigh years of service and their importance in the company, and it worked very well. The finances were handled by Iris Securities, the predecessor to Argonaut Securities Company, a little family banking and accounting concern. Iris Securities would enable the employees to buy on time. So the employee stock purchase plan was very small, and very important.

Lage: Was it also a way of financing growth?

Haas: Not really. That was the problem, and that leads into one of the tough decisions we had, because Dad was very, very jealous of the fact that our figures are private and the public didn't know. But as we grew, more and more employees wanted to become involved. And then we had a choice of, I think--my memory's not good on this--but I think if you go over five hundred shareholders then you have to publicize your figures to the Securities and Exchange Commission. We decided it was more important that we not limit the number of employee shareholders versus publicizing the figures so we opted in favor of having more shareholders. But that was a hard experience.

Lage: Hard for your dad?

Haas: For Dad and for all of us because--

Lage: You lose privacy.

Haas: You lose privacy. That's right.

Lage: Were there other family members who were shareholders aside from the people who worked there?

Haas: Oh, yes. The Koshland family, and Madeleine Russell was a major shareholder.

Lage: Was that by reason of inheritance from the Sterns?

Haas: Yes.

Lage: Or did the family invest?

Haas: No, I think it was mostly by inheritance. I'm not sure. I know that Dad distributed some shares to his three children. And it seems to me at one time he asked Madeleine Russell, who was not involved in the business, to sell some shares to those of us who were so that we could benefit directly from our efforts. But it was all family and employees; there were no non-employee, non-family shareholders.

Memorable Early Names and Events in Manufacturing and Marketing

Haas: Now, I think I should mention some names, because through it all, people are what have made this company successful. We've mentioned Bill Lagoria, and we've mentioned Dick Cronin, and we've mentioned Dave Beronio. Leslie Fenster was considered our best executive. He was head of "A" Department, which was men's furnishings. He was an excellent executive, but retired fairly early.

Lage: These were the early days.

Haas: These were early days. And then Chris Lucier. Chris was head of the Western Wear Department, probably our best merchant and marketer. And among other things he developed the idea of that concealed copper rivet that you had on your back pocket, which was a patent that we had early on. It was a very convoluted manufacturing process. He also had the idea of putting the red tab on our jeans, a trademark we guard jealously.

Lage: What was the purpose of the concealed rivet?

Haas: We did it mostly, I think, because it kept the rivets from scratching furniture and so forth. These are the little odds and ends. But Chris was an outstanding merchandiser.

When we started going into the women's business he was kind of in charge of that, and I'm not even sure of the facts now, you can tell me, but he felt that the zipper on a lady's pants was on the wrong side, because when she had to take her pants down for any reason, she had to take the belt all the way around. So, he put the zipper on the other side, which is much more practical but of course bombed, because people were used to the standard zipper.

Lage: This kind of thing is very ingrained. [laughter] Even the idea that the zipper had to be on the side for women. That was the times.

Haas: Yes, it was. No more. But it was on the side at that time. And it was a basic mistake. But anyway, he was still our best.

Lage: Well, you weren't too experienced in women's wear.

Haas: We didn't know anything about it, and I always got kidded about getting into ladies' pants--[laughter]--but that's how I first did it, I guess.

Just talking of incidents, I remember very well we had a sales meeting and we had the president of the Emporium, which was our

biggest account in San Francisco, come and talk to us--I can't remember his name. In any event, I was impressed because he said that he felt we were taking him for granted, that when we had a good and valued customer, we should treat him as if he were a new customer. I've never forgotten that because it's very, very important. It's so easy to take people for granted, or situations for granted.

You keep asking me about my learning experience and these are the kinds of things that stuck in my mind.

Lage: It sounds to me like you're a person who listens.

Haas: Well, sometimes. He had a good message.

Lage: Speaking of department stores, you said you didn't sell much to department stores.

Haas: We didn't.

Lage: How did that evolve?

Haas: That evolved down the road as we expanded our product styles, beyond the basic jeans. That's a pretty big story, because we had to get into the big stores, and certainly when we expanded geographically to the East we had to do it in the major stores. One of the goofy things that happened--Mel Bacharach was the one responsible for this--we came out with what we called orange, lemon, and lime slacks.

Lage: Mel Bacharach? Everyone gives you credit for that in things I've read.

Haas: No, it was his idea. Anyway, they were literally slacks in orange, lemon, and lime colors. They were horrible! I think, I don't remember for sure, but I think that people bought them because we publicized them. Probably half of them came back unsold, but we did get a full-page spread in *Life* magazine, which was a major national publication at the time. And because of that, the retail stores really caught on to it and tried it.

Lage: So, something that was almost a mistake turned out well.

Haas: It was outrageous, but it was attention-getting--and it wasn't a mistake.

Lage: Were those colors popular at the time?

Haas: I don't remember that they were popular. It was just an idea to get us on the map, and we did. I think that did it as much as anything.

Lage: And those were casual wear.

Haas: Yes, slacks.

Lage: Did you wear any yourself?

Haas: No. [laughter] But going to the major department stores, it had to change our whole marketing approach because they insisted on much bigger markups.

Lage: Bigger markups than the mom and pop stores?

Haas: Oh, much. You see, we would always argue that it's better to take a pair of Levi's--and I think the markup was in the neighborhood of 25 percent--and turn them over eight or ten times a year, and not have any mark downs, and it wouldn't go out of style, versus a product that you only sold two of a year and got 50 percent on. But we never could sell that argument.

Lage: They didn't see it that way.

Haas: Well, retail accounting doesn't provide for that, and it's wrong. I still think it's wrong. So when we went into the major stores, it changed our whole philosophy of the pricing and everything else. Advertising percentages began to go up. We had to get into cooperative advertising. The whole ball of wax.

I want to mention Joe Frank, who probably has the longest record of working for Levi's of anybody. And I mention him because when I started Joe was still there, and he had known Levi Strauss and had worked for Levi Strauss. He was a salesman. We had a desk for him, and he stuck around--I think he was with the company over seventy years. That was the only thing he knew. He was a bachelor and lived with his sister. He had plenty of money, but he would take the trolley down to work, and he would borrow the newspaper from the telephone operator.

Lage: Did he talk about Levi Strauss?

Haas: He talked about the early days when he was a drummer. He always had an assistant, and they would get into a four-horse, or six-horse wagon and go up and down the coast selling our dry goods. These were long journeys, and I remember that he used to say that the only thing that kept him interested was he would bet his companion on which horse was going to defecate first. [laughter] But I don't

remember too much about him, except that he knew and worked for Levi Strauss.

Another famous salesman was Nat Gredis, who operated in Los Angeles. He came to us when we acquired a small wholesaling company--Jacoby and Co. His sales started growing and Joe Frank became jealous that Nat's volume would soon be greater than his. Joe was accustomed to being the number one salesman in our company.

So, on his own, Joe went to Los Angeles to see how Nat was doing this. When he walked into the office, Nat asked him to join him on his rounds, and Joe fell into this well-conceived trap. It was July, and hot as blazes. The first account asked Nat if he had anything special, and was shown some heavy yellow rain slickers--in July! The buyer ordered 100 dozen. The next account ordered a similarly ridiculous large amount. And so on. After about three more accounts gave orders, Joe left, went back to Sacramento in the heat of summer, and tried to peddle rain slickers to his accounts in the heat of summer!

A Negotiating Lesson from Walter Haas, Sr.

Haas: And one other very important lesson I learned was when we--as we were expanding, there was a company in Sedalia, Missouri, called J.A. Lamy Manufacturing Company. They apparently had some excess production capacity, and I remember "Sonny" Stafford and his father came out to discuss the possibility of our contracting with Lamy. I, and I guess Peter, too, sat in on a meeting between the Lamy father and son and Dad and Dan. They had a capacity of six lines, which is six hundred dozen pair a day, and we were negotiating for one line of one hundred dozen.

At the end of the day, we got the hundred dozen. I drove Dad home and I said, "Dad, you know, you could have gotten that for five or ten cents a dozen cheaper. Why didn't you bargain a little harder?" And he said, "Well, I know I could have." He said, "But you know, we really want those other five lines, and if you make a deal, both sides have to be happy with the deal. And it was important to me that they be pleased with these arrangements."

We eventually did get the entire production, and the whole thing was sealed by the handshake. Today, J.A. Lamy is still a major contractor. We take all their production, and it was done with a handshake. We haven't had anything in writing during that period. That was a good lesson.

Expansion to the Eastern Market and Sales Force Rivalries

Haas: As kind of an outgrowth of that--J.A. Lamy had a sales force, and they were selling in the East.

Lage: Selling Levi's?

Haas: No, no. They were selling their own product. But part of the deal when they took on our product was that half their production--half the production they gave Levi's--had to go to their sales force because those hundred dozen a day they were producing, whatever it was, were in a new product, and their sales reps would be missing this quantity of their production. Well, this was very hard on our Western sales force because our goods were so scarce they were in allocation. That's why we needed the extra production.

Of course, our people were furious; they wanted the whole line. That's where we got into Lee Weinberg, who was a partner, I guess, of Lamy and was in charge of their sales force. I guess they had ten or twelve salesmen. They never heard of Levi's; they didn't want them. They didn't want them, and they had to be persuaded to try. Of course, they had a bonanza, and it led to a little incident, because there was such unhappiness with their giving up part of the production.

Among the salesmen that Weinberg had was a fellow named Jack Pike. He was kind of a star--matter of fact, he was in the office the other day to say hello, which was nice. Jack was kind of the bete noire because he seemed to be selling Levi's everywhere, and our people couldn't get them. We were having a sales meeting one time, and we hired a professional, and we introduced him around as Jack Pike.

This Jack-impersonator would come up to me after a drink and say, "Walter, you know, I forgot to mention, but I need another hundred dozen Levi's for Marshall Field." And I'd say, "Fine, Jack, you can have it," within hearing of our people. They went crazy.

Lage: Oh, no!

Haas: It was just a gag. Yes. [laughter]

Lage: Now where were they selling? What part of the country?

Haas: Oh, they were mostly in Missouri in the Midwest. And I think they had representation even to the East Coast.

Lage: Did they open up a new market?

Haas: Yes, they introduced Levi's to the Eastern market.

Lage: Did you train their sales people on all the virtues of your product?

Haas: Oh, yes. Oh, yes. That really was a breakthrough.

Lage: One that your own people couldn't have done, do you think?

Haas: Well, it would have taken a lot longer. They had contacts with the major retailers.

The Levi's Image, and the Hollywood Factor

Lage: We talked a little about the popularity of Levi's jeans and why they caught on so much, but we didn't mention the influence of Hollywood. We had the Hollywood cowboys who wore blue jeans in the thirties. But the fifties, too?

Haas: Yes, James Dean and Bing Crosby and others started wearing them.

That reminds me. Bing Crosby had a ranch in Nevada somewhere. He was on a fishing trip up into British Columbia, I believe, and he came back dirty and unshaven, and the hotel didn't recognize him and wouldn't let him in, wouldn't give him a reservation. Somehow we heard about this, and he was a good sport, so we made him a Levi's tuxedo. We made a tuxedo out of denim with rivets and everything else, and we got a label inside reading that with permission from the Hotel Association of the United States that anybody wearing this tuxedo would be given a reservation in any hotel. And Bing wore it.

I had a copy made, and I wore it once to a dance and oh, it was smothering, it was so hot. It was heavy denim and didn't breathe. So, Hollywood had an influence.

Lage: Did Bing Crosby wear them in movies?

Haas: No, I don't think so. But James Dean, I guess, is the one they think of most.

Lage: Right, and Marlon Brando.

Haas: And I guess Brando. I don't know if Gary Cooper--but they began to wear them in the movies.

Lage: It was a kind of a symbol of disaffection?

Haas: Independence, yes. It's so funny, because as it became popular with the kids, again, it was a symbol of disaffection. And yet, they were like lemmings. We had an ad one time of all these kids who were--well, they weren't as revolutionary or as active, perhaps, as kids today, but they looked all alike in Levi's.

People have often asked why Levi's were so popular. I've never been able to really figure it out. But they're a unique garment. First of all, it's a good value. They're worn by both sexes. They're worn by all ages. They're worn by people in all walks of life, whether you're a business executive or a maintenance man. They're worn by all races. Perhaps it's that unique universality that makes them so popular. But it's still holding on. And in Eastern Europe, they sell for enormous amounts.

Lage: I told you my daughter was going to Spain, and she's been told that Spanish women dress very elegantly. She's a little nervous with her usual Berkeley dress.

Haas: Yes, of course.

Lage: Well, I went home and what had she bought, 501's and a Levi denim shirt. And off to Spain she went!

Haas: Good for her. I think that's grand.

Lage: I want to ask one more thing about alienation. Lynn Downey mentioned that you might have something to say about the fact that at one time Levi's were banned in some grade schools.

Haas: Yes, that's true. And of course, we couldn't really object to the banning of denims, but by then we'd become so well known they'd ban Levi's; they'd use the name. Then we'd have a battle.

It was the same thing that we had as Levi's began to appear in literature. If they didn't capitalize it with an "apostrophe s", Levi's, we would write the publisher, because it was a trademark. I haven't stressed this, I don't think, until now, but I intended to. It's probably our most valuable asset. That's a priceless name.

Lage: The name that you were worried about!

Haas: The name that Evie and I were worried about is, well, not only known all over the world, but I think known very favorably. There's a nice connotation to it. It caused problems when we were trying to expand our product line because a lot of our people felt that Levi's meant waist overalls and if you got into a sport shirt or a casual slack we should have different brand names. We came up with "David

Hunter," and we came up with a lot of different things, and it never worked until we got into Dockers, which has been spectacular.

The name, Levi's, was a mixed blessing, but we're still very protective and spend a fortune and that gets into a discussion of counterfeiting, which, incidentally, I don't want to forget to talk about.

Lage: We'll be sure to get to that later. Were you concerned also, when schools started banning them, about an image that the pants were getting? Or did that not disturb you?

Haas: I don't think the pants were getting a bad image. I think the school authorities were more concerned about the fact that maybe people wore them, and they got dirty or torn. Because a clean pair of Levi's is not an unattractive piece of wearing apparel. Matter of fact, it's kind of a sexy thing on a female figure.

Thoughts on Transitions, Growth, and Relationships

Lage: I want to talk a little more about transitions in the company. As I mentioned before, it's something that students of business are very interested in. And you make it all sound so smooth.

Haas: Well, it was smooth because my father and my uncle accepted us, had confidence in us, shared the management discussions with us. And I think, on the other hand, probably because Peter and I were conscientious and working hard and interested in the business, they had confidence in us. I was only forty-two--maybe that seemed a bit young at the time--when I became the president.

But actually, the two years before Peter and I succeeded Dan Koshland as the president I would say that we were virtually running the company at the time.

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Lage: After you became president, was there any incident where you--?

Haas: No, I tell you, and having been through the same thing myself, I don't think I did it as gracefully as my father did. I tried not to show it on the surface but I felt that a lot of things that Bob was doing were not the way I would have done them. But they proved to be correct.

I'm sure that Dad, particularly, was concerned that this business was growing too fast, and getting out of hand and out of control, and taking on risks that seemed rather unnecessary. But it worked.

Lage: Your father wasn't as much of a risk-taker?

Haas: I shouldn't say that. But the older you get, the arteries harden a little bit, I guess, and you don't do things you would have done yourself earlier. But he took great pride in the company and great pride in us. So, I don't really--you might speak to Peter--but I don't have anything but the feeling that the transition was natural and kind of scheduled and worked out pretty well.

Lage: There really are horror stories about family businesses where the older generation keeps the younger one down.

Haas: There's no question about it, and it's quite remarkable that my--. You know, here's a family in the fifth generation, and usually by then they're into yachts and wild life and airplanes and all the rest. And here, Bob is probably the most capable of all the generations, and he is running a huge business.

Lage: That says something for the way you raised him, I would think.

Haas: I think it's the way we were raised and the way he was raised. Sure.

Lage: Now, you also mentioned the relationship you had with your father as a young man being somewhat distant and formal. Did that remain so as you grew older?

Haas: No, I think I got closer. I remember I made a point of, particularly as he got older, but I think there wasn't a day that I didn't visit with him in his office. It might have been for thirty seconds, it might have been for two minutes, but I always went. And it got much closer. Particularly in the later years, when my mother was becoming less well, it was important to maintain that relationship. And we did.

I don't mean to say they weren't loving and devoted and conscientious parents. It was just a lifestyle in those days.

Lage: It's a style of child rearing and also formality, I think. But I wondered if it altered as time went on.

Haas: Well, I think we got closer. We were together every day.

Lage: Another thing I thought was interesting, in a letter or speech that Bob had written I think in 1990, he mentioned--I guess he was trying to show that things weren't always as smooth as they seemed in retrospect--something about longstanding feuds and fiery relationships in the past.

Haas: Oh, we surely had executives that didn't get along particularly well. And that's part of the job of a CEO. You're aware of it, and you just have to adjudicate things and keep them moving.

Integrating the Work Force in the South, 1950s

Lage: Do you want to pick up the topic of integrating the factories in the South?

Haas: Yes, I think we should talk about that because that started happening before I was president.

Lage: In the fifties?

Haas: Yes, as we were growing. We felt that that was the right thing to do. It was long before any law requiring affirmative action. We were growing, and we would go into primarily the Southwest and Southeast where wages were lower.

We would make surveys in these small communities--the Department of Employment would make them for us--to see whether or not there was a big enough labor pool to sustain a plant of several hundred women, really. The important thing you had to realize is that you had to have male employment in the area, because if there wasn't employment for the husbands, our employees would move if the husband left the community.

Lage: Now, why did you hire mainly women?

Haas: There are mainly women on sewing machines.

Lage: Men just didn't apply?

Haas: Men didn't--it wasn't a job for men. And it still isn't. We have plenty of men and particularly Hispanics--we've got the highest Hispanic population in our sewing machine force. But it was 90 percent women--it's a female trait, I guess.

So we'd go to the city fathers, because they would give us buildings or tax breaks or this or that trying to attract the industry. And we would say, "By the way, we're an equal opportunity employer." Sometimes they'd shy away, but we really integrated many communities in the South, because the economic lure of employment forced them to change their attitudes. It was really very rewarding.

I know I spoke to a lot of my business friends, friends in the business community. They'd say, "Why do you take on this additional burden when there's enough problem with labor anyway?" Well, we felt it was important, very important. And we did change attitudes. We would not, in the first few years, open a plant in Mississippi or Alabama because their governments were patently racist.

I don't say there wasn't prejudice elsewhere. I remember Paul Glasgow, for instance, in one incident in Blackstone, Virginia. We took over an existing plant, and pretty soon we indicated we wanted to integrate it. It was already operating.

Lage: You bought it from another company?

Haas: Yes. We were having trouble getting references from the employment department, the state government employment department. We found out that they were trying to undermine our philosophy. And we had long discussions.

Paul Glasgow met with the business leaders and said, "You've got to do it, or we're going to move out." And they said, "Well, okay, if we segregate the bathrooms, colored and not colored." And he said, "No." They said, "Okay. Then we'll draw a line down the middle of the plant, colored in one side and white in the other." And he said, "No," and he forced them to accept us. The important part of this story is that he did it without consulting with us.

Lage: Oh, really?

Haas: He knew that we'd back him, and a young plant manager is all he was at the time.

Lage: A plant manager in that local place?

Haas: In that local place. Stuck up for what he believed in and he knew we believed in. I thought that was very significant. It showed that it is so easy for management to espouse a certain philosophy or point of view and then have lip service given around. But here we felt that it permeated the organization. We felt very good about that.

Lage: So you didn't have to get in on the decision or the strategy?

Haas: Nope, nope.

Lage: Well, that's good. And Paul Glasgow was with you for a long time.

Haas: Oh, yes. He came with us and became a director. It doesn't belong here, but when we went public we had to have two outside directors, and I remember Paul accusing Arjay Miller, one of the first two outside directors, probably in the men's john, saying, "What the heck are you--why do we need you? We don't need outside directors. You don't know anything about the apparel business!" They had a big, long, difficult argument. It was very hard for our people to accept this. But that's way down the road.

Lage: Yes, well, that will be very interesting. I'll make a note to go back to that.

Introducing Sta-Prest®

Lage: I wanted to ask you about the introduction of the Sta-Prest finish. That sounds like a great thing.

Haas: That was a great thing. That was another major development that enabled us to get an entrée with department stores.

Lage: And wasn't that a big risk, when we're talking about risk taking?

Haas: Huge, huge risk. It was a huge risk. We had to invest a million dollars. I think it was a million dollars. Sounds like it should have been more, but it was a lot of money for us in those days.

Lage: It was around 1963, I believe. It may have been in the works before that.

Haas: Well, all right. We had to invest in ovens, in a process that was really unproven, except there was--

Lage: There was a permanent press--

Haas: There was, yes. Koret had a permanent press in women's skirts, pleats in women's skirts, yes, and that was basically the process. And one of our people, Mel Bacharach, saw the possibilities and persuaded us to put out a product line. We brought them out and basically we had slacks that we claimed didn't need pressing. We called them Sta-Prest.

We had a demonstration--I took part in one of the first ones at the Emporium Capwell's in Oakland--and we had the executives there at a luncheon in their dining room. We brought in a little clothes dryer, and we had some wet, washed slacks, and we threw them in.

I sat there--I couldn't swallow a mouthful of that lunch. At the end of the lunch the drying was completed, and we pulled out the permanent press and the Sta-Prest, and the Sta-Prest proved its worth. That's how we sold them in the first days.

We had a real problem with formaldehyde. In developing the characteristics we had to use a certain amount of different chemicals--I'm not familiar with them--but formaldehyde I do remember because it had a terrible odor and stung the eyes and everything else. And we were pioneers in the industry to get the mills to change the process so it wouldn't affect their workers negatively with the fumes of developing Sta-Prest.

Lage: That's interesting, because that kind of thing wasn't in the public eye then.

Haas: No. That was just in keeping with the general philosophy of the business.

Lage: Was your process, the Sta-Prest, a patented process?

Haas: It was patented, I think, by Koret. I know we had a major, major lawsuit with Koret over the process, extended over two or three or four years, and we eventually prevailed. But there was a big--. I guess they were complaining about our use.

Lage: How did you make that process your own? Maybe I should be asking someone else about it, but did you do something unique?

Haas: Oh, yes, it was unique. And it's ironic, because we have been so outstanding in Dockers and way ahead of everybody, and the competition recently came out with what they call wrinkle-free and took the play away from us until this year when we're beginning to catch up and get back. But the Sta-Prest process worked, and then I don't know why, over a period of time, it was less important, and we just didn't use it as much.

Lage: I think people got into the wrinkled look there for a while.

Did you have an active research and development program in general? Was there a department?

Haas: Well, Peter and I developed one. Most of the research and development was done by sewing machine manufacturers and various suppliers, but it was very inadequate in those days.

We put up a plant in Texas--I don't remember the name of the town--mostly trying to automate the manufacturing process, because it's a hand process and antiquated. The sewing machine has not really changed much from two hundred years ago, except with attachments and this and that and the other. Now, we're getting into automation.

That all should have been done by, we think, the suppliers, but we've done a lot of it, and I don't really know the status of it now. I did visit a plant with the directors a year or so ago, and it's amazing how far we've come with automation. But there's still a long way to go.

Lage: Yes. There are a lot of changes going on.

Product Integrity

Haas: Through all of these changes, we've been concerned with the integrity of our product. "Product integrity." That was an unusual term and I want to claim credit for it, because we have this fellow, Al [Alfred V.] Sanguinetti. Did I mention him? No, I don't believe I did.

Lage: I don't believe you have.

Haas: He was head of our jeans department, and of course, he's retired now and I've lost touch with him. He came from an old-fashioned Italian family. In fact, his mother was a sewing machine operator at our Valencia Street factory.

I don't know if his parents spoke English. I remember the day he was appointed a director he called his mother and said he'd been made a director of the company--he was a poor boy who worked his way up from stock boy to plant manager to director--and his mother said, "Alfred, you forgot to cork the wine last night." [laughter] Anyway, Al was very independent, very opinionated. When we were having trouble with the quality of our products, we felt we should appoint somebody to oversee, maintain the quality of our product line.

Lage: Was this when you were expanding?

Haas: Expanding, yes. This was down the road. And we came up with the idea that he was going to be director of the Department of Product Integrity, not quality control. That phrase kind of appeals to me.

Lage: And you thought of it?

Haas: Well, that's why it appeals to me. [laughter] It connotes a lot more than quality control. It means that every facet of the product, whether it's appearance or wearing quality, you can stand behind and be proud that it's got the Levi's name on it.

Lage: And was Al the right person?

Haas: Absolutely. What would happen is that we'd be under pressure to produce, and there would be a little problem with scheduling and they'd get a bunch of material in that was a little substandard but the plant manager thought, "Well, I've got to keep my people operating." So he'd start manufacturing. Al would close the plant down before he'd let that happen. That took courage, but it was right.

Evie and the Back-to-School Levi's® Jeans

Haas: I do have to tell a story about my wife. This goes back very early on when we had a distribution center in San Jose. And then, as now, employees can buy our product wholesale--

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Haas: When it came time to outfit the kids to go back to school, we ordered wholesale. And somehow or other, some young kid down in San Jose filled the order wrong. It was the wrong size or something. Evie had given it to me, and I sent it back. I'm sure that some kid got hell down there for sending the president an improperly filled order. So, I finally said, "Look. Do me a favor. Buy retail. Just go down to the Stanford Shopping Center," and Wally was about eight years old, "and take him and get the Levi's for back to school."

So she went in and asked for Levi's and the man said, "Well, we've got them but we have something much better. Why don't you come and look at these." And she said, "Why, really don't you carry Levi's?" And he said, "Yes, we do, but you don't want those. You want--I've got such a nice selection of other jeans." And she kept insisting and kind of reached an impasse and finally said, "Why won't you sell me Levi's?" He said, "I don't know what's the matter

with that company. There's some fellow up in San Francisco sitting on his duff, running the company, and he doesn't know what he's doing."

Lage: You're kidding.

Haas: No, this is true. [laughter] And so she said, "Oh, my goodness, if you feel that strongly, I'll go over to Macy's, but what's your name?" So she got his name. And the next morning when the Emporium opened, I walked in and asked for this fellow who turned out to be the buyer of the boy's department. I showed him my card, and I said, "I understand that you're having some trouble with our products." And he looked at my card, and he looked at me, and he said, "Oh, my goodness. You've got a lovely wife." [laughter] Well, she was really a lady and he was very frustrated. What actually happened, it turned out, is that the Levi's were in the Emporium system somewhere but he hadn't been able to get them up, and he didn't have a good stock of Levi's.

Lage: So, it wasn't really your fault.

Haas: No, it wasn't, but he said there's some guy sitting up there on his duff who doesn't know what he's doing and poor Evie just didn't say a word. I've got to give her credit.

Lage: And you did some on-the-spot checking.

"Levi's Is People": The First International Convention, 1968

Haas: One of the things I do want to mention was our first international convention, in Miami [1968]. We'd never had this before where we had sales managers from all over the world, and we were international by then. I remember two things about it. First of all it was international, and that filled us with pride. We'd never had anything except our domestic people.

We asked for a slogan, a theme that we could all come away with. And it was, "Levi's is ____." We had suggestions of everything from "tops in bottoms," or "the largest manufacturer of topless outfits in the world," or whatever. But what it ended up was, "Levi's is people." That's kind of stuck ever since and it came out of that meeting and I just think it's appropriate to our company.

Lage: Who came up with the "Levi's is people"? Did you?

Haas: I think I did. [laughs] I hadn't thought of it until we had the contest, and maybe others did, too. I'm not going to claim full credit, but I know I thought of it, and I really like it. I still like it.

The other thing is a fun story because one of the guys decided we should have a golf tournament, and the theme of the golf tournament was "Beat the boss." So, I was playing against everybody. I'm a serious competitor, and the day before I thought, well, I'll get a little edge because I'm playing about thirty different guys, so I went out to the golf course. I thought I'd play one round and get at least the edge of knowing the holes. And I took out a good caddie.

I'd severed my Achilles tendon about six months before, and so I really was somewhat handicapped because I hadn't been playing at all. I remember in the opening remarks at the meeting I addressed the group and tried to set the stage for the meeting. And I said, "Now I'm looking forward to the golf tournament. All I can do is pray for rain."

Well, the day before, as I said, they were in meetings, and I went out on the course. Then the day of the tournament we started and about the fourth hole, the heavens opened up, and the guy I was playing with said, "I knew you had influence, but I never knew you had that much." [laughter] And I don't. Those are just silly things that I do remember.

Lage: That's a good story. Now, you said you were a serious competitor. Did that influence your desire to take the risks and make the company grow? Is that a competitive instinct?

Haas: I suppose so. Yes, I think you want to always do the best you can in everything.

Lage: Did you watch your competitors' figures, like what was happening to Wrangler?

Haas: Oh, you bet. You have to do that. And of course, I still do. You have to analyze. What's happened is through the years, because we're in such a wide range of business, the men's and the women's and the casual slacks, we had a series of different competitors. Wrangler and Lee have traditionally been the ones in the blue jeans.

Lage: Right, in the early days.

Haas: In the early days and still. But then we get into the designer jeans; they made a big splash and affected our sales for a while. And there are other names. I'm not familiar with the details now.

But through it all, Farah was an important competitor in the slacks business and Hagggar.

The names don't matter a lot because through the years they'll get something that catches on with the public for a couple of years, and our people will get very nervous and think that we're not doing the job. It keeps you on your toes. But in the long run we've continued to maintain our share of market or improve it pretty steadily and still are doing it.

"Levi's Is People": Remarkable Executives, Remarkable Growth

Haas: I want to talk more about Levi's executives because we talked about our philosophy, "Levi's is people." There is no question that our executive core, through all this period of growth, was outstanding. I served on many boards, large well-known corporations with good reputations, and I had contacts with the business leadership of the country. Although our people were not well known and few of them spent a lot of time in community service, as far as their business acumen and application to the task at hand they were head and shoulders above other corporations. That's the reason, of course, that we were so successful.

Lage: Now, I want you to think a little bit about this. What's the reason for the excellence of your top executives? Is it a nurturing thing at Levi's? Is it the choices you've made in hiring?

Haas: Both. Both. I think there's no question that they are a hard driving group of people. Even today, the next generation is doing the same thing, working long hours, devoting their lives to the problems of the company, and moving ahead in a remarkable way. It's important to our success.

And we need to remember here that through all these incidents and stories I've been recording, we were enjoying, at least during the period I'm talking about, explosive growth. That is the background to all that I have been saying. Remarkable growth. [See page 69a.] Twenty percent cumulative [growth] a year for twenty or thirty years. But through that growth, we tried to maintain an informal management style and personal management and be sensitive to the needs of the constituents. That's very hard when you get bigger.

Lage: I would think so.

Haas: But we, in the main, did it. I don't remember at what point that we got to become one of the Fortune Five Hundred. But when we did,

even though we were at a lower level of the Fortune Five Hundred in sales, we were in the top, I'm sure, twenty or thirty in growth and the top twenty or thirty in return on investment. So, we may kid a little bit about some of the quirks of some of our people and some of the interesting little anecdotes but through it all, we were a very successful company. [See company sales history, next page.]

Lage: Did your executives stay with you longer than average, do you think?

Haas: Yes. Yes, I think they did. As a matter of fact, a point I wanted to insert was when we went public [in 1971] and people became so wealthy, I don't think we lost anybody. They stayed with us. They were dedicated to a lifestyle and an interest in the business. I don't remember losing anybody. I know our personal lifestyle didn't change, even though we became very, very wealthy. But the important thing was that the executives stayed with us.

Lage: Now, when you talk about the personal management style, what do you mean by that?

Haas: Concern for the individuals; recognition that you make concessions for long-term employees in promotion decisions and downsizing decisions; trying to keep in touch with everybody on a personal basis. It was informal. At one point, I knew everybody in the headquarters. Then I didn't because I couldn't. But most of them recognized me and Peter. You'd try very hard not to lose that. It didn't just happen. We worked at it.

Lage: You had to work at it. Did the people that filled your top management, who were not family, did they, in turn, display this same personal management style?

Haas: I believe they did. I remember enjoying going to our awards ceremonies where we recognized years of service, five or ten, fifteen. We used to have them once a year, and now we have them four times a year and fill the auditorium. But it seemed remarkable to me. It was just a whole new group of new people coming in. At first, they were learning the company and learning our philosophy and our way of doing things from those with more experience. Pretty soon they were the senior members of the staff and passing on the same thing. So, you have to inculcate it into all levels. That's why that story of Paul Glasgow integrating the plant in Blackstone is so important. He made a tough decision, and he knew we'd back him up. He knew how we felt.

Lage: To me, this is one of the most important things to get from the oral history because these are intangibles that you don't find in company records--how you pass along this family way of looking at the world to a large corporation that's growing so fast.

Haas: Well, it was big. I can't say more. It made us unique and made me very proud.

An Illustration of Personal Management Style

Haas: One of my favorite stories, which may help illustrate this matter of personal management, happened early during my presidency. We used to have company picnics. Everybody would go, and the normal procedure was to have the executives cook the meat at a barbecue, and the employees and their families, wives and kids, would line up and we'd serve them. This occasion was over in the East Bay somewhere on a very, very hot day. Somehow or other, the young man who was supposed to deliver the steaks got lost. Everybody was there waiting for the meat to arrive. People were getting impatient, lined up for an hour or more waiting for their food on a scorchingly hot day when finally the truck arrived.

So all of us pitched in to carry the heavy cartons of steaks to the barbecue pits. There were several of them. I was lugging a big heavy carton, and a young black kid from the basement saw me struggling with this, and he said, "It's about time you did something around here." I remember that. [laughter]

Lage: Well, that shows a certain informality.

Haas: Well, the whole point was that he could do that. He knew who I was, and I liked that he felt he could joke around with me.

Keys to Success

Art Roth

Haas: You asked that I fill in more about some of the people that were important. First of all, let's talk about Art Roth. Art came to us from Stanford business school. As I recall, he started as an assistant to Dick Cronin in advertising and eventually succeeded Dick as our advertising manager. There he widened the scope and efficiency of our advertising to a national basis.

Lage: Do you remember when he came on board?

Haas: Very early. He was one of that first small group of business school graduates that we hired in the late 1940s. Another one was Mel Bacharach.

Lage: So he came on very early.

Haas: Yes, very early. He eventually became a member of sales management. I guess his biggest contribution came when he went to New York and managed our eastern sales division.

Lage: Was he a forward-looking person?

Haas: Oh, he was excellent, yes he was. He was very progressive. He was one of the guys I'd consult with on major problems. You've got to realize that we were unknown in the East. The per capita sales in the East were nothing. We always thought that if we could even get per capita sales in the eastern part of the United States up to a quarter of what they are out here our business would explode. Art really made a difference in our growth because he introduced Levi's brand to the eastern market, and it became nationally recognized.

Mel Bacharach

Haas: Now I've spent more time on Art than on Mel Bacharach, who was really one of the stars of our business. Mel was something of a maverick. He was innovative. He always had new ideas. Many of them were contrary to traditional thinking, but they were always worth considering.¹

Lage: How is he a maverick? What kind of ideas would he--?

Haas: Oh, I can't remember specifically, but he just wasn't out of the common mold. He was independent, and he tried all kinds of things.

Lage: In terms of marketing?

Haas: In terms of marketing and of management and organization, whatever. He had his own way of doing it. We didn't always agree, but he really spurred us into a lot of good things. He's probably the best merchandiser we had. He made major contributions through the years. I've always felt that we should have a vice president in charge of revolution, so that management questions its decisions. He was pretty close to that.

¹See Appendix D.

Lage: He played that role for you?

Haas: He played that role somewhat.

Lage: So he wasn't a yes-man.

Haas: Definitely. No, and that was good.

Lage: And I would think that could happen in a family business.

Haas: Well, it happens in a lot of businesses. You get to the top and nobody tells you the truth. They tell you what you want to hear. So many CEOs drive to work in a chauffeured limousine, and they go to lunch at the club with the other CEOs, and they're all, almost all of them, conservative Republicans, and they just don't get a sense and feeling of what's happening in the outside world.

Lage: They're insulated, then.

Haas: They're completely insulated and protected and hear what people think they want to hear. I tried not to have that happen, and Mel was pretty helpful.

Other Key Executives

Haas: I also want to be sure to mention Harry Cohn and Bob Kern as other executives who were important in my period. Bob Kern was the financial guy, treasurer. Harry Cohn worked his way up from being a stock boy in the basement and eventually headed our Casuals Division. He was an excellent executive--even though we were never able to make sportswear profitable until the miracle of Dockers. But Harry's is a great success story for a capable and nice guy.

Paul Glasgow was another one. He was head of production, who came to us as a young man from a competitor. There are some wonderful stories about Paul. (I told you about integrating the Blackstone, Virginia, factory.) He was remarkable. All of these fellows became directors eventually.

This was a period of great growth and great success and great personal rewards and, you know, satisfaction. We've got to be sure that these key people are not left out of the story.

Howard Friedman

Haas: Now, I have hardly mentioned one of the most important heroes in our business, and that's Howard Friedman. Howard married Dan Koshland's youngest daughter, Phyllis. He was a marvelous architect and truly a wonderful person. He remodeled our factory at 250 Valencia Street and made it into what appeared from the outside to be an old-time hotel. He improved the lighting as well as the interior decor and made it so that the working conditions were quite acceptable, even though it was a very antiquated and inefficient building.

Howard was given the responsibility to build our factories all over the world. We were growing fast. He developed a module, a pretty standard layout, depending on the size of the plant. So you could recognize a Levi's plant anywhere. I don't know which came first--but I went to the ribbon cutting in our Mexico City factory, and some years later, or before, I went to Adelaide, Australia, and it could have been the same building.

Howard was a lot more than just an architect. He was a very sensitive person, and he was very much interested in the company. I consulted him frequently on matters of major importance that had nothing to do with architecture. He traveled from plant to plant, and he would get a sense of the morale of the workers. He wasn't prying or spying, but he'd come back and indicate that there were problems that we ought to address. And then there were sensitive family matters that he could be trusted to discuss. All I can say is that there's no way of estimating Howard's value to this company. He died a number of years ago, much to everyone's regret. He was teaching at Cal. He had retired from his architecture business, was teaching, and was highly regarded. He was a key player.

Lage: I'm glad you brought him up. Now, was he an employee of Levi Strauss & Co., or with his own firm?

Haas: No, we just contracted for his architectural services.

Ed Combs and Frank Brann

Haas: There are two other people I want to mention. One is Ed [Edward] Combs. Among his important assignments, Ed was put in charge of our international operations when we were just expanding in that area.

He was killed in a plane crash. It was a terrible loss.

Lage: He was flying his own plane?

Haas: Flying his own plane. And so we lost Ed.

Another kind of a superstar was Frank Brann, a young man, who had a stroke on a golf course. Frank was the real star of the future, and his sudden loss was a terrible blow. We lost two of our key people along the way, so it's not always smooth sailing. But these people are part of the fabric that was so important.

Lage: Fabric. A good word. Promoting or finding the value in someone like Ed Combs must be one of the main important things that you and Peter did.

Haas: That is.

Lage: Do you remember what it was that attracted you or how you came to promote him, knowing that it would cause unhappiness?

Haas: No, I don't know how you recognize integrity and character and intelligence and initiative and all the qualities that make a good executive. But that is the most important job of an executive.

The Policy of Controlled Growth

Haas: I felt that one of the things we did that was very unpopular with some of the young Turks, and I was pretty young myself, was what I called our policy of controlled growth. We were growing at an incredibly rapid rate, and it was the envy of probably any business. But some of our young guys said we were missing opportunities, we were not growing fast enough.

I wouldn't let it happen because I felt that all parts of the business had to grow together. You couldn't have sales outdistancing production, which is simple. Or go so fast that we couldn't support it financially, or with trained personnel. And so that was a balancing act that was very important to maintain.

Lage: Now, was that something that came up in the sixties?

Haas: This was after I was president, I would say.

Lage: You were kind of putting the brakes on a little bit.

Haas: I was putting on the brakes despite that incredible record. But I think that's one of the other keys that made it work because--well,

we'll get back to Europe again, but that got out of hand because we lost control.

Lage: Yes. Did people like Ed Combs bring new management style?

Haas: I don't know. I don't know. [laughs] It's a good question. I didn't think about it.

I think I've covered the major cast of characters now.

Lage: And you have done a nice job explaining why they were important, to you as a person.

Haas: Yes, they were. Obviously, the success doesn't come except from a team of highly competent executives that are all different. They didn't all get along all the time. Of course, that was our job, to keep them working together.

Lage: Would you consult them one by one or would you have group meetings?

Haas: Oh, both. I mean, we were very informal. You've got to realize that. Even though we were getting big league, we were in constant communication and it just worked.

Lage: Yes, it sounds like it. You don't need the formal set ups that you read about in management books if you know how to talk to people.

Rita Guiney and the Levi Strauss & Co. Art Collection

Haas: Now, I've told you about Rita Guiney, but I haven't mentioned Rita Guiney's art. As I told you, she is a very remarkable and important part of our company. She felt we should have an art collection, at a time when it was not that common in major corporations. She really worked at it, and she had an understanding of modern art. Most of us liked realistic and western art, Remingtons and so forth. She took an awful beating from our executives who didn't understand modern art. I gave her a budget, and it was never big enough. She did a remarkable job of collecting art from, I think, mostly unknown artists. If you visit our headquarters and look around the headquarters, you'll see.

Lage: And she was responsible for the selection of the collection?

Haas: She was responsible and still is. She's retired, but she still keeps in touch. Just the other day, she called me proudly and told me she sold a couple of pieces for quite a bit of money, quite a bit

more than she paid for them. I was very pleased because they, I think, have restricted her budget now even more than I used to. And as a result of her successful sales, she can add to the collection.

Lage: But you gave her the free rein to choose?

Haas: Yes.

Lage: She didn't have to pick the western art that you might have liked?

Haas: No. She had a free rein to choose, and then she took an awful ribbing from most of us. That was part of her charm. She kind of enjoyed the give and take, but she prevailed, and we have a very fine corporate art collection as a result.

Visiting Levi Strauss & Co. Plants and People

Haas: I also want to mention how much my visiting the various plants meant to me. I tried very hard when we were smaller to occasionally visit plants and manufacturing facilities throughout the country. I never knew if that was a morale builder or just a nuisance for the people there because I made a point of showing the flag and always asked the supervisors and their wives to go out to dinner. People in small communities are the salt of the earth. I thoroughly enjoyed getting to know them.

I was always impressed with the people in our small communities. They were dedicated. They were hard-working. They were conscientious. They had good ideas. I came away refreshed and exhilarated and proud of the whole organization.

An Aside on Advertising

Lage: Did you take an interest in advertising over the years? Would you be in on agreeing to a certain style of campaign?

Haas: No. If I was in charge of advertising, our company would never have grown the way it has today.

Lage: Why is that?

Haas: Well, we're advertising to a different audience. I mean, today, I don't even recognize their advertising, some of these young bee-bopper kids.

Lage: But what about in the earlier time when you were more active?

Haas: Well, in the earlier time, I took an interest. My favorite story in advertising was we've always felt we should be truthful, and we should not be offensive and not be sexist or any of those things. I went to Europe and was fascinated with some of the clever ads and also with some of the nudity that was common in foreign advertising in those days. So, after I made the trip, I canceled all those that I thought were provocative ads. But I got a collection of posters which I took home, and they're in the dressing room in our swimming pool in Atherton.

Lage: So you appreciated them on one level.

Haas: I appreciated them, right.

V LEVI STRAUSS & CO.: FOCUS ON THE 1970S

[Interview 5: September 9, 1994] ##

Where the Buck Stopped

Lage: Let me clarify something before we turn to the 1970s. In 1971 you became CEO [chief executive officer], and that seems to have been a new title for the company.

Haas: There was always one person in charge, and I don't know about the title, but in the fifties Dad was CEO, in fact, if not in name, and I was the vice president.

Lage: In 1958, you became president. Then, in 1971 you became CEO and chairman of the board, Peter became president and Ed Combs executive vice president.

Haas: Well, I was CEO before then. I was president and CEO and then I was chairman and CEO, from 1958 to 1976. CEO is the most important job in the company. The other stuff's title.

Lage: That's what I wanted to clarify.

Haas: Yes, the other stuff is just title.

Lage: So the CEO has the final say.

Haas: Bob is chairman and CEO now. At one point, he was president and CEO. At one point I was president and CEO. Then I became chairman and CEO so Peter could have the title of president, and then I moved out, and Peter became CEO [in 1976]. But CEO is the key in any company.

Lage: Okay. So, during that period of 1971-1976, when you were chairman of the board and CEO, you were still where the buck stopped.

Haas: From '58 to '76, I was where the buck stopped.

Lage: Okay. That's important to clarify.

Haas: Your questions remind me of a story. A great deal of travel is required of the CEO of a large multi-national company, and I did my share. On long plane trips I usually brought a lot of work--reading I had put off, planning that needed to be done, a variety of activities that wouldn't be interrupted by the phone or meetings in my office. I liked my privacy and didn't relish conversation with my seat companion.

Once, as I was spreading out my work the fellow next to me introduced himself. Drinks were just being served, so it wasn't easy to escape. He gave his name and that of his employer, so I reciprocated. He asked what I did, and in an attempt to shorten the interview I indicated that I was in a management position. How many people did I supervise and what did I do? My response was somewhat vague, but he persisted--what did I do? Well, it was a big company with widespread activities and I had varied responsibilities, I told him. What did I do?--he persisted. "Well, I'm president and CEO." "You still haven't answered my question!" he replied.

Lage: Well, he was persistent, or dense. Now, in 1971, you had a major reorganization campaign. Is that something you want to talk about?

Haas: I don't remember it well enough. It was a major reorganization. We went from functional to divisional. I can't recall the specifics; I guess we thought we'd be more effective.

Lage: Did people like Ed Combs--

Haas: I think Ed was very instrumental in making the change, but I just don't feel qualified to discuss that.

Lage: Well, I think the details are more or less known, and if you weren't that involved it's not important to get your reflections on it.

Haas: Well, I was involved, God knows, but my memory is not very strong on that.

Going Public in 1971: Social Responsibility, Pricing, Embracing Growth

Lage: Now we want to turn to the decision to take Levi Strauss & Co. public in 1971.

Haas: As background to that, I just want to emphasize how strongly we felt about equal opportunity. We've talked about integrating our plants in the South. Later we launched another program. We felt maybe we could be more effective not only within our own company but as a large, growing user of services and goods, we might influence the people that sold to us.

So, we wrote a letter to all our suppliers of services and whatever indicating that we were strong believers in affirmative action and equal opportunity. We were curious as to their practices because it might influence our purchasing practices. I don't claim it was very successful because we couldn't be policemen. We couldn't really follow it up.

Lage: Did you get much of a response?

Haas: Not much of a response and we couldn't because, for instance, the greatest amount of purchases were piece goods and materials from the mills in the South. And they were, none of them, integrated. We couldn't operate without those goods. But we did get one letter, I remember, from a banker in Kansas--it was in the Midwest somewhere--where he indicated that he'd been thinking about it and getting a letter from us tipped the scales. So, we knew that happened.

And then, I was having lunch with Stanley Marcus of Neiman Marcus in New York one time and told him about this program. He was very, very much interested. And he instituted it at Neiman Marcus in Dallas. The interesting thing was that shortly thereafter, *Time* magazine had an article about this great thing that Stanley Marcus is doing with Neiman Marcus. [laughter] Anyway.

But I mentioned that because the company kept growing and growing and then we were faced with the decision either to stop growing or get more capital. And we decided that we had to continue to grow. Warren Hellman of Lehman Bros. in New York is a distant cousin. He'd been calling on me every six months for years as he came out to the West Coast, indicating that when we went public he wanted Lehman Bros. to be in charge of the issue. I said, "We're never going to go public. That's ridiculous."

Lage: So, others sort of saw it before you did.

Haas: Oh, yes.

Lage: They saw that it was almost a necessity.

Haas: They saw that was probably going to be inevitable. But we didn't automatically give it to Lehman Bros. We decided, well, now we're really going to have some influence. All the investment houses were

very interested in getting this issue. But then we really inquired about their employment practices.

Lage: Ah, that's a time when you have that kind of luxury.

Haas: And we were able to do it. It all came back, as I mentioned, to this little effort we made before. Of course, in those days, New York firms were lily white. They didn't have African Americans. They didn't have Jewish people in any position of responsibility, most of them. Lehman Bros. did get the award, but that was the condition.

I think, probably, that hadn't been done before. And then we did a couple of things in our prospectus that had never been done before. Number one, we had a sentence and I--you can dig it out--but indicating, much against the advice of our investment bankers, that we were a corporation that practiced social responsibility and that it always didn't reflect itself in the bottom line. But that was part of our prospectus so people who bought our stock knew that this was part of our practice.

Lage: Was this partly a protection so that if you spent money in--

Haas: No. Well, I guess it was but that wasn't the reason. We just didn't want people perhaps complaining that we spent too much money training people from Hunters Point because we tried to announce that in advance. And they advised against that.

The other thing that the investment bankers advised against was selling to employees. But Peter and I, who gave up a lot of our shares in the public offering, insisted that some of our shares go to employees.

Lage: Now, why did they advise against that?

Haas: Basically, it had never been done and it might cause problems. It did cause us problems because although the stock went up for a while, it went way down. And we felt just terrible because we thought we were doing our employees a favor at the time.

Lage: But if they hung on to their stock?

Haas: If they hung on to it they did beautifully. And most of them did. But there were several long, long months when we felt we had tried to do something really special and it was backfiring.

Lage: So when the business ran into troubles in the mid-seventies it really must have been a personal burden to you.

Haas: It was very, very hard personally because pricing the offering was another major undertaking. Of course, I guess this built my kind of innate distrust or unhappiness with investment people because we spent weeks and months studying the exact price it should be when it came out. There was a lot of--

Lage: So, you can determine what it will be.

Haas: Oh, yes. The investment advisors do. And it's a tricky thing because you want to get as much as possible but you want the offering to be priced somewhat under the market so whoever gets the shares will make a little profit--it'll be a good buy. I don't remember the exact price. I think we initially started out at--after all this advice came in and all the meetings we had it about it--forty-four [\$44 a share] or something like that.

And then the morning of the offering, or the day before the offering, we got frantic calls from New York that it was such a hot issue that we'd underpriced it. So, I remember my father and my uncle and Peter and I had lunch at the Family Club, and on that day decided to move the price up from \$44 to \$49. After all the scientific analysis we just arbitrarily did it. It came out at \$49, and within two days it was over \$80.

Lage: So you took family shares and sold them to the public.

Haas: Yes, sold them to the public at \$49 a share. That's right.

Lage: Now, was there ever a moment during this period--it must have been over a period of time when you were deciding--where you said, "Let's just not grow."

Haas: Not really. No, I think that was--we had a serious discussion but we had the bit in our teeth, and we were very successful, and the opportunities were there. As I said, it's rewarding to be successful that way, but it also creates a lot of opportunities for people.

Lage: I have a little quote that I found in--must have been one of your speeches. "Being anything other than the market leader is a role we are unprepared and unwilling to accept." [In a 1978 film shown to Japanese retail trade groups]

Haas: I don't remember that. My goodness, you've done some research.

Lage: Well, the speech appeared to have been written for you by Levi Strauss International Group P.R. people. Were they putting words in your mouth, or does it express your views?

Haas: That would express my views.

Lage: I thought it was so strong.

Haas: Yes.

Lage: And also reflects, maybe, the competitive tennis player in you.

Haas: [laughter] I don't know.

Unanticipated Implications of Going Public

Haas: There are a lot of interesting things that happened around that time. We decided that since we were going public we ought to cultivate some of the investment analysts who were going to be studying our stock. So we did what was for us a very major promotion. We chartered a plane and invited all of them to be our guests and fly to Mexico City to see one of our international operations and then fly to San Francisco for a briefing with all the executives. The timing was horrible because just about that time the roof fell in on our European operations [1973], and it was very embarrassing. At least they were captives. They were up in the air. [laughter]

Lage: You mean this happened right at the--

Haas: Yes, on the flight back to San Francisco, one of our executives got on the airplane intercom and briefed the analysts on our newly discovered financial problems in Europe. There I was, we had the investment analysts captive in the air, and it was going to be such a big build-up of the company, and here we had the greatest economic disaster.

Lage: How many people were you showing around?

Haas: Well, I'm guessing twenty or thirty, something like that. I don't remember too well.

Lage: In thinking about this big change involved in going public, you must have had some idea of what the implications were and how it would change the company.

Haas: I don't think we truly did. And it did change the company.

Lage: So you didn't have a sense of what might happen?

Haas: No, we didn't realize that indirect pressure was going to come from the investment community on every quarter to compare the--we had to show improvement.

Lage: You had to watch the bottom line.

Haas: We had to watch the bottom line quarter to quarter to quarter. We were used to managing on a long-term basis, and that's why we eventually went private again. I had a very hard time dealing with the outside analysts, because I didn't have much respect for them.

Lage: Tell me about that. I'm so far from that world.

Haas: Well, it's a personal prejudice and that's not fair, but in the first place, most of them didn't understand the apparel business and thought it was highly fashion-oriented, a highly volatile, risky kind of an investment. And most of them didn't take the trouble to really evaluate the company.

Lage: So they placed you with other apparel companies?

Haas: Yes, and first of all we are in very high fashion stuff now, but in those days we were making sugar for a grocery store, cranking out Levi's. There weren't mark downs, and we didn't have a wide fashion element in our line.

In fact, I know one time, there was one fellow with one of the firms in New York who was considered the expert on Levi Strauss stock. Well, he, for some reason, left the company and the stock went down three points the next day. Now, his leaving that investment firm in New York had no bearing on our operations, present or future. I just didn't see the connection, and that kind of reaffirmed my lack of confidence in their recommendations. It's not the--it's a personal feeling.

Lage: I think that kind of thing is important to understand.

Haas: A couple of little episodes come to mind. It was very hard to tell the employees because it was going to mean a change. We didn't know what, it would just change.

I remember we had an old German refugee, Julius Phillips, who was a wonderful man. He had been an executive in Germany, and I think he worked as a stock man in the basement, but he had everybody's respect. Everybody called him Uncle Julius. We had an employee meeting, and we told them we were going public. I don't know if they fully understood what we were saying but Julius got up and said, "Walter, will you and Peter still be running the company?"

And I said, "Yes." And he said, "Well, then it's okay." [laughter] I liked that. But we were small and personal at the time.

Lage: You still had the family feeling. Now, what did it mean to the employees for you to go public? Did it affect--?

Haas: I don't think so. I can't reflect that it made any change except that they owned stock. They made a lot of money.

Lage: Okay, so they kept their stock and then it went up in value. That's right. That's your list of millionaires [thirty-one employees who became instant millionaires when the company went public].

Haas: Some millionaires and a lot of others that became very well off. But they still worked hard and none of them quit or retired or anything. Evie and I didn't change our way of life, although it did affect our personal means in a very substantial manner.

Stories about Levi Strauss & Co. Shares: Nest Eggs and Campus Radicals

Haas: Another anecdote--we decided that going public we would not direct shares to anybody. We would not withhold any shares except for the employees.

Lage: But you had that option--you could have directed some shares?

Haas: Well, we could have. But we decided that was going to get into trouble because this was the biggest offering of a private company since the time Ford came out. Now, Ford was ten times as big but there was a great, great deal of interest in our offering in the financial community. For some reason, Levi's was a magic name and kind of a mystery business.

But I did break the rule. I directed a hundred shares to Prince Helfrich, who was my fishing guide. I remember when I went fishing some months later and the stock was way down, I mentioned this to him and I said, "Prince, I'm awfully sorry about the stock. I hoped--I was trying to give you a nest egg." He said, "What's your problem?" I said, "Well, you know, it's way below what it came out at." He said, "Hell, I sold it two days later" [at almost double the initial offering price].

Lage: Oh, that was his nest egg. [laughter]

Haas: Yes. That was his nest egg. And the other story I wanted to tell-- I was at a cocktail party, and some guy I'd never seen before came

up and started berating me for the company I was in which fostered all these radical kids on the campus. I didn't know what he was talking about. He said, "Over in Berkeley, all these long-haired, bearded, sandal-wearing students are wearing your product." And I said, "My God, you know, everybody wears Levi's. You can be a chairman of the board, you can be a maintenance man." And he was really angry. I guess he'd had a few drinks. Since it was a social occasion, I excused myself. Half an hour later he had a couple more drinks and he said, "By the way, one question." I said, "What's that?" He said, "Would you set aside two hundred shares for me?" I was truly appalled.

Lage: You didn't do that.

Haas: I sure as hell didn't. Anyhow, I think that's quite a lot about going public.

Contributions of Outside Directors

Lage: Okay, but I want to know if going public affected the way you ran the company, made your operating decisions; for instance, having the outside directors on the board.

Haas: Yes, we had to bring in two outside directors.

Lage: And how did they contribute?

Haas: They were wonderful--Arjay Miller, who had been president of Ford Motor Company, and Joseph Cullman, who was head of Phillip Morris, who's probably the best marketing man I knew. I knew Henry Ford through my connection on the Ford Foundation, and they were both on his board, and he said, "You've got the two best outside directors in the United States."

Lage: What did they bring to the company? Was it window dressing or did they--?

Haas: Oh, no. They were knowledgeable business people. Our International Division accounting operation was contracted overseas by our domestic accountants, Hood & Strong.

Arjay, who is basically an accountant, felt that a larger international accounting firm would bring greater control as the company grew. We retained Hood & Strong locally. That's one good thing he did. He did the same thing with insurance, which was in the hands of my brother-in-law, and he did not take it quite as

easily. Actually that's been a cause of friction then and since. But that's the kind of contribution they make. They would question policies, and they would question, in general, some of the decisions we were trying to make. And they persuaded us to change some things.

Lage: Gave you a new perspective.

Haas: Yes. I had a wonderful board. As a matter of fact, a side light-- of course when we went private we had to ask them to resign. But on my seventieth birthday, Peter, my brother, asked if he could give me a luncheon. I said, "The guys I'd really like to have would be the local directors because we got such a good feeling of working together." And we do that--I celebrate my seventieth birthday twice a year with those same guys still, and they all look forward to getting together. I usually start out the meeting by telling how the company is doing and showing how much better since we were kicked out than when we were there. [laughter]

Two Women as Outside Directors

Haas: Having outside directors was a big change. We had to have two when we went public, but it soon became evident that it would be desirable to have more. We were very careful in selecting them and ended up with, as I said, a wonderful board.

But it became time to have a female director. So I took advantage of the fact that I was on the board of trustees of the Ford Foundation, which was also looking for a female trustee. They had a list of a hundred or so women who had, for various reasons, been outstanding in their fields. I looked at that and tried to think who would be appropriate for Levi's when I suddenly realized there was somebody who wasn't on the list who would be perfect. That was Mary Bundy, who was the wife of McGeorge Bundy, who was the president of the Ford Foundation. So Mary became a member of our board and was a very wonderful contributor.

It came time to look for another woman. I'd heard of Barbara Preiskill, who was general counsel for the Motion Pictures Association of America. I asked her to have lunch with me at 21 Club in New York. She's from the East. She opened the conversation by saying, "I don't know why I'm here because I've been asked to go on many, many boards, and I'm just not taking anymore on. But my children said that Levi Strauss had such a wonderful reputation that I at least ought to have lunch with you." And after lunch she agreed to become a director.

Lage: How wonderful.

Haas: That was a good story, that her children influenced her, and that by then our reputation had spread to New York. And it was a reputation for being a company of principle and ethics and all those values that we've been talking about, which proves, again, that there are economic benefits to doing the right thing, although we tried to do the right thing without any ulterior motives.

Lage: But you think it paid off economically as well?

Haas: Well, it paid off because of the executives we had. It paid off because of the staff we had and the board we had. I guess I'm going to get into that if I ever get to the topic of social responsibility. But that was an important story.

Lage: Now, you say it became time to have a female director. What made you realize it was time to have a female director?

Haas: That's a good question. I guess our antennae, which is an important part of being able to react to the social changes of the times, indicated that it was time, that other corporations were thinking about it. There was demand for women's equality, which is appropriate, and we hadn't thought about it really, I suppose.

Lage: Did the women members bring anything different to the board meetings?

Haas: Yes, both of them were contributors. I've been on boards where they had token women and minorities, I would say, token females who were part of the establishment, that kind of thing. I think the important thing Mary did was particularly with the relationship with our employees. I know she had several meetings with different groups of female employees and brought back to us their concern that there was a glass ceiling. I don't know if prejudice is the right word to describe it--a lack of equal acceptance. We were surprised.

Lage: But she saw this as one of her roles?

Haas: Yes, and it was, and it was important. But we, in our naivete or stupidity or whatever you want to call it, weren't aware of these feelings. So, that was very helpful to us.

Chairing the Board, 1971-1986 ##

Lage: Now, would this be a good time to talk about how you ran board meetings?

Haas: I'm happy to talk about that.

Lage: You were chairman of the board for quite a while [1971-1986].

Haas: Yes. Our board meetings were more than a rubber stamp. We got things done, not so much at the board meetings, but I made a point of communicating with our board members in between meetings, quite often, to get their thoughts on business problems, to keep them advised of things we were contemplating, particularly if there was some matter coming before the board on which we wanted their approval or comment. It was, I think I can fairly say, quite successful because everyone of our outside board members, I think almost without exception, went out of his or her way to tell me that they enjoyed serving on our board more than any other they served on. Many of them served on a number of boards.

I served on a number of boards, and I felt I was expected to be something of a rubber stamp in those days. I didn't feel I was consulted as much as I should have been. In fact, I realized the flaws in our board system; obviously board members now are held much more responsible for their actions than they were back then.

I've been on two major boards where we eventually fired the CEO. That's a very difficult and uncomfortable thing to have to do. I'm wandering, but--

Lage: No, this seems pertinent.

Haas: The reason, probably, that it developed to that point was that they had lost touch with their boards. In both cases the CEOs felt that they were able to, or had to, pursue certain policies, and the board was not that well informed. Then the board started questioning. Anyway, I didn't keep my board informed as a matter of self defense. I did it as a matter of prudent and proper business conduct.

Lage: To have that tie between the executive and the board.

Haas: Yes, and we became very good friends, most of us, as I mentioned. And we're still good friends. I've been criticized for the fact that--well, you know, "They're all your cronies and they do what you want." I don't think the latter part is true but the first part was. [laughter]

Lage: So some feel that you shouldn't get as chummy with them, but that it should remain a more formal relationship, do you think?

Haas: Well, I wasn't chummy with them. We just got to share common problems, learn to discuss them openly and freely, and gained a mutual respect. I guess that's how friendships develop.

Lage: And you must have helped them understand what was going on in the company.

Haas: Yes, and I keep saying that I think the apparel business is somewhat different and a little harder to understand than many other industries. Maybe I'm naive in that. But they became very proud of their association with the company and were truly very productive.

Arjay Miller, I mentioned before, is absolutely outstanding and he probably is chairman of the audit committee on every board that he serves. Most of our board went to the audit committee meetings even if they weren't members just to learn how he conducted one.

Lage: Did questions of ethics come up in board meetings?

Haas: No, not as such. Ethics came up in a sense that they knew we were an ethical company, and they supported that. One thing I can remember was Arjay Miller's statement. He put it very simply. He said, "Don't do anything in running this business that won't pass the TV test." I said, "What's the TV test?" And he said, "That somebody on national TV will ask you about this problem and your handling of it." And so we were very, very conscious, all of us, of carrying on our responsibilities so we could pass the TV test.

Lage: Goodness, that sounds like a hard test to pass in these days.

Haas: That's the trouble with these days. It shouldn't be. I think we are a successful business. I think we've always been able to pass the TV test. I know we've made mistakes, but we could stand up in front of the TV and not be embarrassed.

Lawsuit against Company Pricing Policies

Haas: This reminds me that at one point [1976] we were accused of price fixing. The story behind that is that it had been our policy for many, many years to suggest retail prices. We did it so we could protect the customer's margin and avoid price cutting. It was perfectly legal. You could choose your own customers, and you could base your choice on their following your pricing policy, among other

things, as long as you handled it diplomatically. You couldn't go to XYZ department store, who was cutting prices, and say, "If you don't stop cutting prices, we're going to stop shipping you." If they continued to cut prices, we could just discontinue them without giving them a reason. But naturally, some of our salesmen weren't very diplomatic or intelligent about it.

So we were accused by the government of price fixing. We hired a lawyer. We went to court and we won. Our system was approved. We continued it for a period of time until the government again raised the issue and we had a court case. We lost it the second time.

Lage: And did the decision turn on whether or not you sort of threatened to withdraw your merchandise?

Haas: I'm not sure. But I think that partially it turned on the fact that some of our, and we by then had several hundred salesmen, didn't handle it intelligently. But I think its time had come by then, anyway. At any rate, we lost the case the second time around.

Lage: Did that change make a big change in your marketing?

Haas: Oh, yes. It was a major change. But even though we were very upset and unhappy, basically we adjusted and the business continued to grow. So it wasn't as important as we thought it was.

Lage: Did this suit cast the company in a bad light? Did people see it as--?

Haas: Yes, I think so, with accusations of price fixing in the headlines. That's not a very good public relations situation. Then, as a matter of fact, we were sued by the state of California, by a man who was running for governor at the time. He was attorney general.

Lage: It must have been Evelle Younger.

Haas: Yes, it was. We were sued on a class action for having overcharged so many customers all these years. Well, they ruled against us, but they didn't know what to do with all the money that we ended up settling for. The money was held in state funds for years and years and years. It was uncomfortable because we lost the suit, we paid it, we settled, and then they couldn't distribute the funds so every couple of years, we'd make the papers again because the money was sitting there.

Lage: I seem to remember getting a letter--everybody probably did--and if you'd bought Levi's within a certain time, you could get something like twenty cents back.

Haas: Well, it wasn't a happy story, but I can't really be too upset.

Two Headquarters Moves: Embarcadero Center and Levi's Plaza

Lage: Would the move to the new headquarters building be appropriate to discuss at this point? I'm talking about the Embarcadero Center. That seemed to be kind of a psychic event.

Haas: Oh, that was terrible. From 98 Battery Street to Embarcadero Center. Yes, well, we'd outgrown 98 Battery Street and we, I guess, rented a floor and then eventually the whole building next door. Then this Embarcadero Center became available, and we moved. I do remember the day we were packing and the actual day we were moving; it was very emotional. Rita, a wonderful lady, suggested, "Why don't we get champagne for everybody?", which we did. Battery Street was only five stories, and I knew everybody in the business. I took a glass of champagne, and I went from floor to floor visiting with everybody, kind of with tears in my eyes, saying how much better it was going to be and not believing it. But anyhow--

Lage: What was it like?

Haas: We made a move and it was a terrible mistake because it was a high rise. We were on several different floors. And for some of the locations, you had to get off one bank of elevators to go to another. So it kind of destroyed the communication between departments and between individuals and, I felt strongly, between me and the employees. I'd always maintained pretty close contact.

Lage: So, you really got a sense of how architecture affects even the operation of the business.

Haas: It really did. And then some years later--I don't know, did we mention before the camping trip I took with Gerson Bakar [of Gerson Bakar and Associates]?

Lage: No, but you have it in your notes.

Haas: We went, I think, to the Wind River range in Wyoming on one of our camping trips. Gerson, who I didn't know very well, was among the group. One night he said, "How would you like it if I built you a headquarters to your specifications? I know you're not happy where you are. It'll be your specifications, and it won't cost you any more than where you are." Obviously it's pretty hard to say no to that, so we took a look at it. That was the genesis of Levi's Plaza. It was really exciting to develop and plan.

Lage: Were you in on that pretty directly?

Haas: Yes, I was. Although I think Bob really got more involved towards the end. But in the planning, of course, I was very much involved. Gerson Bakar owned those four blocks. It's about eight acres, I think, and about five of them are open space. We decided we wouldn't build a high rise, but we would have an open park and low-rise buildings. It's kind of a gift to San Francisco.

I was going through the park yesterday. It was a nice day. And there were kids having picnics, lying in the sun. We got Larry Halprin to design the park, and he took into account the heritage of the company, which was in the Gold Rush days. So in that area there are rolling hills and a little stream and pine trees. Peter wondered why I didn't stock the streams with trout because I love fishing so much. But in any event, it's lovely and it's secure. I think a lot of our employees consider it almost a college campus.

Lage: It has that feeling. What about the design of the building? Did you deal with the thought of how it would affect relationships in the company?

Haas: Well, we had four buildings. We don't occupy them all now because a lot of the operations have been consolidated or moved out of the community. Obviously, after our experience at Embarcadero, this is high priority. One of the buildings is an old wine storage area, which we thought might be historical and so we kept it the way it was and then fixed up the interior.

Then at the last minute when plans were all approved, one of these organizations that was involved with history said, "This used to be the bay and there's a very valuable sailing ship right under where you're going to dig, we'll get an injunction and won't let you build." That delayed us considerably while they explored. They went down and discovered there was in fact a sailing ship there. But it was just an ordinary one.

Lage: So, the developer had to make a little archeological dig along the way?

Haas: Yes, and then they suggested that we ought to leave the ship there and build a ramp so people could see it. This went on and on and was delaying everything. We weren't responsible for the construction, but the delays were a concern. Finally one night we went by and noticed that a person had gotten a bulldozer and filled in the hole, so the construction went right ahead. Also we had a hermit living on the mountain there with a couple of birds and stuff. And that was a minor problem.

Lage: Up on Telegraph Hill behind you?

Haas: Yes. But the thing that was very interesting is because normally when a major corporation gets involved in such a large construction, there are all kinds of neighborhood groups that are objecting, finding reasons to delay. We had the support of everybody because it's so low key and attractive and fits in with the surroundings. So that was a plus.

Lage: Yes. Oh, it's a beautiful place. It must make your employees very happy, the ones who get to work there.

Haas: Well, I hope so.

A Key Decision: Hiring Bob Haas, 1973

Haas: I guess probably my greatest contribution to the company was in hiring Bob [Haas, in 1973].

Lage: Now, how long did you debate about that decision?

Haas: Well, that was no problem because I always wanted him. I never thought he was going to come to the company, and I never once mentioned it.

Lage: You didn't?

Haas: That's why I was successful.

Lage: You never talked about it as he was growing up or when he was in business school?

Haas: Well, maybe when he was growing up we'd had discussions, family discussions. But no, he was the valedictorian, as you know, at Cal, of his graduating class. And he was a Phi Beta Kappa. After graduation he joined the Peace Corps for a couple of years. Then he went to Harvard Business School, and from there he became a White House Fellow in Washington.

Lage: Did he talk to you along the way about what he was looking ahead to?

Haas: No, we didn't talk too much. I thought he was going to be a professor, maybe get involved in government service or something. When he went to Harvard Business School, that maybe sparked a little ray of hope.

Lage: But you still kept quiet?

Haas: I never did talk to him about it because you don't know how your children are going to react sometimes, even though we were close. And then he went to McKinsey and Company for a couple of years.

Lage: Now, what kind of company was that?

Haas: McKinsey is one of these management consultant firms. They were probably the best, or were the best known, and we'd used them. I was never that enthusiastic about consulting firms. I thought we ought to have our own people be able to do it, but they served a very useful purpose at times. For example, you mentioned going from functional to divisional structure--well, we'd made up our minds we wanted to do it but it was not an easy thing to convince all our executives. So, we called in McKinsey and Company, and sometimes these firms really give you a good independent analysis, and sometimes they kind of feel around and see what you want, it seems to me. So when they came in and recommended the divisional alignment, it was easier to sell our executives.

But anyhow, one day--he had been with McKinsey, I think, almost two years--he called and asked if we could have lunch. And we went up to Chinatown, a little restaurant. And he said, "Dad, would I embarrass you if I applied for a job at Levi's?" [laughter] And I almost jumped across the table. That's how Bob came into the business, and that was probably my greatest contribution.

Lage: What did he start at? What did he apply for?

Haas: I don't remember. But he, of course, by then was a lot more experienced than I was when I came into the business.

Lage: He didn't have to start at the cutting table?

Haas: No, right. But he did his share of having responsibilities in different phases of the business, and he earned the respect of everybody. I'm very proud of him.

Lage: Does it create any tension when the family's eldest son comes in and you have high-quality executives in place?

Haas: I'm sure it must, but I don't delve into it too much. And Bob certainly has proven himself far beyond--I actually think that he, in the fifth generation, is proving to be the best CEO we've had.

Lage: It's certainly nice to be able to say that, nice for you.

"The Kinds of Things We Do": Illustrations of Corporate Culture and Personal Philosophy

Bonuses in a Billion-Dollar Year, 1975

Haas: I'm going to talk about a few episodes that are worth remembering in our few remaining minutes. I was on a camping trip, and we'd had a very tough start of the year. What is normal and probably still is in our industry is if you get overstocked, you close down a plant or you go on a short work week or whatever. If your merchandisers make a mistake and are slow on getting material, the people who suffer are those poor folks out on the sewing machines who can least afford it.

Here we'd had a rocky couple of months with a lot of layoffs and so forth, and all of the sudden we were having a record year. On this trip, I said, "We've just got to somehow or other not just let the stockholders benefit. We've got to get that money back somehow into the hands of those poor people who were laid off or temporarily worked short hours." And Mel [Bacharach] then came up with the idea--it was the first year we hit a billion dollars in sales [1975]. And so we declared a bonus for the factory workers for our company reaching a billion dollars because we didn't want to set a precedent.

Lage: To do it every year.

Haas: Do it every time that this occurred. We figured the bonus related to the time they had off. I was very proud of that.

Valencia Street, Link to the Past

Haas: Just to continue with the kind of things we do--Valencia Street. We had this old, old building on Valencia Street where I had my first job. It was built as a temporary structure in 1906. It's still out there. And two things about it. The first thing is, it's an impractical place to manufacture. It's multi-story. It's old. And San Francisco is a high-labor-cost community. So everything indicated that we should close the Valencia Street factory.

But Valencia Street is kind of a mirror of ethnic newcomers to this community, because a sewing machine operator doesn't have to speak English. When I was working there they were all Italian. Then the new immigrants to the community would apply for a sewing

machine job. Whether it was African Americans or Latin Americans or most recently Orientals, it was a reflection of the ethnic changes in the community. So when everybody said we should close the factory down, we said no, because these people aren't going to be able to get other jobs. So we converted it from a mass-producing factory into making experimental garments, salesmen samples, and so forth. We kept it open. It was not a smart economic decision but it was a human and proper thing to do.

Lage: Is it still open now? It's still operating?

Haas: It's still operating, yes, and we take school children through on tours and stuff. It's really kind of fun.

Maverick Philosophy--Corporate Jets and Price Controls

Haas: Jet planes. [laughter] I'm just trying to give you a flavor of what the company was like and what our thinking has been. The jet plane for the corporate executive is a way of life. As I began to get involved with other CEOs all over the country, they kept saying, "Why don't you get a corporate jet, for God sakes? You're out on the West Coast, you have plants in Texas and Tennessee and everywhere, and you come East. You've got to have the plane because, first of all, it saves a lot of wear and tear on you and your executives. And secondly, you do things. You can go to Knoxville for lunch and get something straightened out and come home when you're not going to do it otherwise because it takes forever flying commercially."

We never believed in it. I've seen too many excesses by CEOs--using the corporate jet for a weekend of golf. And it's just not our philosophy. I was criticized, not criticized, but a lot of my peers in other companies couldn't understand why. But we've never had a jet plane. I charter them personally myself sometimes, but the company doesn't pay for them.

Lage: Do these executives--do you sense that they consider you, you know, kind of an oddball? [laughter]

Haas: I think we've been mavericks. I think we have--and they don't feel much embarrassment because they think that's the perk. They think it's a perk to which they're entitled. I think the hardest thing with some of my friends who've headed major companies in this city, when they retire, they lose the use of that plane and that means a lot. They take them fishing, and they take them for weekends.

Lage: But in general, with your interests in corporate humanism--and you seem much less concerned with flashy displays of wealth--

Haas: That's right.

Lage: Does this set you apart?

Haas: Well, it's just the way we were brought up, and it's a basic belief. Another thing--when President Nixon asked for voluntary price controls, I insisted that we have price controls. And we volunteered it. Everybody thought we were nuts, and we probably were because none of our competitors did. And it cut our profits way down.

Lage: But maybe you sold more?

Haas: Well, we were selling all we could make.

Lage: So that wasn't an incentive.

Haas: No, no. It wasn't. It was just a matter of principle. If the president asked you to do something, you did it. And eventually, the controls came off.

Keeping in Touch with Activist Lawyers

Haas: How did I keep in touch? There was a public interest law firm. (These are just episodes I wanted to relate, and I'm almost to the end of them.)

Lage: Oh, that was on your list and I wondered what that was about.

Haas: It was a public interest law firm. I got friendly with one of the more activist types. They were actually--I don't know--probably suing or intervening in a lot of companies in which I served on the board. But I was curious about their thinking. I asked them, and so once a year I would always go and have a brown bag lunch with these young lawyers who were, as I say, much younger than I was and trying to lead social change. But I found it very instructive to find out what it was they were thinking about.

It didn't keep them from suing Levi's when we were accused of price fixing. They intervened in that. But the point was I had an open mind, and I was trying to learn. We had good discussions, and it was interesting for me to see how their interests changed from

one year to the other. I can't even remember what the issues were back then.

I do remember one terrible lunch we had when--what was the name of that guy?--Reverend Jim Jones [of the People's Temple] was there. They invited him, too. I was furious because he shared the pulpit, and I was very uncomfortable with him. But that's not my point. Bob Gnaizda was the guy. And I think he still is, you know, a burr under the saddle of many corporations.

Lage: Do you remember the name of the law firm or was it under his name?

Haas: No, it was a public interest law firm [Public Advocates]. As a matter of fact, when we were looking for someone to be in charge of our affirmative action program, I consulted with him. We had a lot of minority applicants, but I hired someone from his firm, Cassandra Flipper. Cassandra turned out to be just excellent because she just wouldn't accept the status quo. And she really--we meant it. It wasn't just window dressing. She handled herself very well in a difficult position, because she knew the company's basic feelings and yet she felt that she had to be fair in representing all sides. And she was.

Her husband, Paul Hastie, I remember, came to one of our first shareholders meeting and represented a resolution against management. Of course, we marshalled all our strengths to oppose it, but through that I got to know him and respect him, and so those are all kind of fun things.

Lage: So you tolerate dissent well, it seems.

Haas: Well, I think I wouldn't now. My arteries are getting harder. [laughter] But in those days I was trying to be understanding.

Lage: Was your association with the public interest law firm something sort of formal that they sponsored?

Haas: Very informal. I asked them, then it became kind of a tradition for several years, and then it died out.

A Lesson in Beard Bias at Cal Business School

Haas: One of the more interesting experiences I had was getting to know a professor of marketing at Cal. He had a course in business policy, and he had the presidents of various Bay Area companies address the class. We'd talk one week, and then I guess the students would

analyze the discussion the next week. And I enjoyed that. I enjoyed it because I got to meet young people, and they asked questions that were very refreshing for me.

And it was kind of a hiring technique. A couple of our executives with us today were in that class and kind of enjoyed what I told about the company, I guess, and one thing and another. So that was really the biggest benefit we got.

As part of that, I would show them the product line, I'd show a pair of Levi's, and at the end I'd show another pair of Levi's and I'd say, "One is an imitation and the other is a genuine thing. You tell me the difference." And they couldn't.

And one final story which I remember. I'd always have lunch with the marketing professors in the Faculty Club before the class, and one time one of the professors said, "I'd like to ask you a question, Mr. Haas." (And this goes back many years as you can tell from the story.) "You have two people applying for a job, and they're of equal experience and ability in your opinion, and one has a beard and the other does not. Which one do you hire?" I said, "Well, that's the personnel department's responsibility."

And he said, "Oh, no. No, you can't get out of that. Which one do you hire?" And this shows how old-fashioned I was. I said, "Well, to be honest with you, I think I'd probably choose the one that's clean-shaven."

"Okay," this professor says, "a year later and there's a promotion. The fellow who was clean-shaven when you hired him has grown a beard. There's another candidate equally qualified who has not got a beard. Which one do you promote?" I tried to sluff it off. But no. I said, "I think I'd take the fellow who's not got a beard."

"Okay, final question. You're the personnel manager who makes these decisions, and you find that the president has grown a beard. How do you answer those questions?" I've never forgotten that perceptive questioning and his message.

Lage: Interesting technique.

Haas: Yes. Isn't that a good question? Didn't it make you think?

Lage: Well, isn't there a story about your son and his beard?

Haas: Oh, Bob grew a beard. He grew a beard, much to our chagrin. And I asked him one time, "Why do you do this?" He said, "Well, Dad, I want to show that good guys can have beards. And besides, Levi

Strauss had a beard. What are you complaining about?" So, he won that one.

Lage: That would be a hard one to answer.

Haas: But I reminded him that Levi Strauss died a bachelor. [laughter]

Lage: At the business school did you have any ongoing relationships?

Haas: Well, Budd [Earl F.] Cheit, of course, is a dear, dear friend. But I really haven't had--that's unfair. I, of course, have been involved in building the new school of business being named for my father. I know the deans, not well, but they've been very, very nice about inviting me; I just don't care much about ceremony.

"The Fun We Had": Levi's Jeans and Football in Tennessee

Haas: One last episode. This has nothing to do with anything else, but our first directors' meeting held outside of San Francisco was in Knoxville, Tennessee. We went to Knoxville so the directors could see--by then we had more than two outside directors--so they could see our biggest sewing machine operation. Of course, this is the big thing in the community, and they had a big civic dinner for us and all the bankers and retailers. And the governor of Tennessee was there. He ended up in jail afterwards; he was an alcoholic, and he had a state trooper putting whiskey in his coffee cup all the time, I remember.

But at this formal occasion everybody was being nice. Our football team [Cal] was going to open the season the following fall in Tennessee against the major football power. I remember Johnny Majors, a very famous coach, was coming to coach the Tennessee team. So I got up and after the usual formalities said, "Governor, I'm going to make a bet with you on the Cal-Tennessee game. I'm going to bet you a pair of Levi's against a bottle of Jack Daniel's on the outcome of the game." And he got up and accepted the wager and invited to me be his guest in the box at the game. I did go back, and it was like a Christian in the old Roman days getting fed to the lions because there were ninety thousand people rooting for Tennessee and about six of us for Cal, and we won.

Lage: Oh, terrific. Were you quiet in your rooting?

Haas: Oh, I had to be very quiet, but at the end he remembered. He gave me a bottle of Jack Daniel's. I have it downstairs, and it has nothing to do with anything except some of the fun we had.

Lage: Oh, that sounds great. We're going to end this session with that good story.

VI LEVI STRAUSS INTERNATIONAL

Going International: The Role of Coincidence, Canada and Europe ##

Lage: Shall we turn to the International Division now? We need to go back to the beginnings and not just focus on the troubled period of the 1970s.

Haas: I think earlier on I indicated a number of factors that I thought were contributing to the growth of the company. One of them was expansion geographically from the West to the East. And the next step would be to go international.

We thought a lot about it, and we thought the natural direction to take our first step would be Canada because it's contiguous to the U.S. We had a long contiguous border. The people are English speaking. Their customs are not that dissimilar to ours. So we had a very careful survey of the Canadian market and found it was completely dominated by one company, Great Western Garment Company, and we'd probably have a heck of an uphill battle to make any impact. So, then we decided--

Lage: Now, what part of the market did they dominate? The work clothes market?

Haas: The market we were in. It's just a different market, and I guess it was work clothes, but it was also sportswear and kiddie, you know, young people and anywhere the product line was for the Canadian people. So we decided to turn our attention to Europe. We appointed a committee. I don't remember who was on it except I know Bill Lagoria was, who had never had any experience overseas. I don't think any of them had.

Lage: Mel Bacharach mentioned that he was involved.

Haas: Probably. We sent them over there, and I don't know if it was when they were over there or very close to this time when we were trying to decide whether to expand in Europe or not when I got a call. My secretary said that there's a gentleman in the lobby who wants to see you, a Mr. Godsoe from Canada.

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Haas: It was Mr. Jerry Godsoe from Canada. I didn't know him, but it turned out that he was CEO and chairman of Great Western Garment Company. And he said, "I represent the family shares. I'm married to the daughter." The company was very similar to ours. It was a family business, privately held. "Because of inheritance taxes, we have to sell the company. I have been to see Blue Bell, and I've been to see H.D. Lee. But I know your reputation, and if you have an interest, we'd rather deal with you." Well, I knew a heck of a lot more about his company than he thought I did.

Lage: He didn't know you'd done this study?

Haas: No. We'd done it all, and I knew a lot. Anyway, I said I'd take it up, and one thing led to another, and we ended up buying Great Western Garment Company, which is how we got into Canada.

Lage: This must have been in the early sixties [1960-1961].

Haas: The dates, I'm not sure of. But I do know that my father and I, as far as our employees knew, went on a fishing trip. We actually, I think, went to Chicago or Detroit. I don't think we went to Canada. We met Godsoe there, and that's where we worked out the details and had a handshake. So, again, with all the scientific study and research, a coincidence got us into Canada.

Lage: That's interesting.

Haas: Yes, and the coincidences didn't stop there.

When we acquired GWG [Great Western Garment Company], I was impressed with how similar their company was to ours. It was a family company, down through the generations, and they had a basic business philosophy that was very similar to ours. The clincher, for me, was when I visited their plant in Edmonton where I saw a small playground on their property at the factory. They maintained it and made it available to the children of the community.

We, for many, many years, had a similar playground at 250 Valencia Street. And when we redid Valencia Street, which I think we talked about earlier, we maintained the playground and put in lights and a basketball court in the parking lot so the neighborhood

kids could play basketball at nights. It seemed like a remarkable coincidence that GWG had a playground also and seemed to make it almost inevitable that we would consummate the deal because the philosophy was so much alike.

A similar happenstance got us into Europe. We had this study group, and we were still studying when a kind of an unprepossessing Frenchman dropped into the office in New York and said, "I'd like to buy Levi's for France." I haven't mentioned our New York office, but in those days it was headed by Oscar Groebl and Henry VanKerKen and Herman Schneider, and that was our whole New York eyes and ears at the time. New York said, "Well, we'll have to do a credit check and so forth." He says, "Oh, no. You don't need a credit check. I want--" and it was a rather huge order and he pulled money out of his pocket and said, "I'll pay for it." And well, of course, we did--

Lage: Don't even need a handshake on that.

Haas: No, and we didn't want to quite go that quickly, you know. We made a study, and he was a distributor of all kinds of clothing. His interest developed because we'd sold Levi's to the GIs in World War II through the PXs, and they sold them on the black market because there was a great demand. Again, I can't help but think that, with all the research and study and so forth, just the coincidence of this fellow coming with cash in his pocket got our attention and he became our first distributor in Europe. That's how we got there.

Management Problems in Europe: Growth Outstrips Controls

Lage: How did it develop from that, from having a distributor to really having an operation?

Haas: Well, I must say that I think just the popularity of the product essentially made it a good job, initially. We eventually had some problems, I think, and decided we'd do better by ourselves. And we gradually built the organization.

Lage: So, it just happened.

Haas: And it grew, and it grew, and it grew too fast. One of the most memorable episodes--we had put Pete Thigpen in charge. Now, I think I have to go back to tell how we hired Pete, because a lot of these things overlap. We were beginning to interview in major business schools for graduates. We were a bigger company, but we could never get them interested. They hadn't heard of Levi's. But one year, I

remember, we went to Stanford, and the number one guy in the graduating class was a fellow named Pete Thigpen. He came to us instead of going to Proctor and Gamble or Ford or whatever. We figured we'd made it big time.

And Pete was good. Since we were having some problems in Europe, we sent Pete over after he'd been with the company only a few years.

Lage: And he was young, still.

Haas: He was very young. He had no experience. I guess we must have had about a thousand employees throughout Europe at that time. Our headquarters was in Brussels. Then all of the sudden our accountants discovered some tremendous losses. What had happened was that it had just gotten out of control. Remember I said earlier, when we talked about controlled growth, that one of the problems was that you couldn't grow too fast, you had to have the marketing and the manufacturing and the financial all working together. Well, in Europe the opportunities were there, and they could sell everything they could make. And they lost control.

Lage: Were they making them there, also?

Haas: They were manufacturing overseas, and they were just cranking them out without, it turns out, without regard to market acceptance. The quality was bad, and we didn't have good controls. There were defalcations--some dishonesty, sloppy controls, poor accountability, and all this and that.

This all came to light just about as we were going public. I made a trip over there with George Daly, our financial guy, who had just joined the company, to see what was happening. I had a long talk with Pete, and I basically said that this is a really major disaster. But I didn't hold him responsible because he'd only been with the company five years, and it was our fault for not sending him some experienced accountants and marketing people to shore him up. We did transfer him, and we cut Europe into two or three divisions so we could control it better. He was in charge of one of them. Eventually he came back and became head of our jeans division and was one of our major, major executives.

He came to me one time, and he said, "You know, I don't understand you because when you came over to Europe, I surely expected to get fired. Why didn't you fire me?" I said, "Well, you had a lot of good background. We paid a lot of money to educate you, and now we want a return on our investment." So we ended up pretty good friends, and he made a real contribution to the company.

Lage: That's a very interesting story about personnel management.

Haas: Yes, it is. It came out pretty well.

Lage: Who did you put in charge, then?

Haas: I don't remember.

Tom Tusher

Haas: I want to mention Tom Tusher. Tom has been an integral part of the top management team at Levi Strauss & Co. for the past twenty-five years. His attractive wife, Pauline, has always been very supportive, and they are devoted to their two sons. Tom graduated from Cal, went on to Stanford Business School, and recently was chairman of the Haas School of Business advisory board. We first met Tom and Pauline in Australia, where he helped to launch our business in that country. While we were there, we helped dedicate the Adelaide factory.

Tom has vast overseas experience, having gone on to head our European and later International operations. Tom's energetic management style, breath of experience, willingness to challenge the status quo, and attention to detail make him an ideal partner for Bob.

Robert Grohman

Lage: At some point, Robert Grohman comes in and heads up the international division. Was that later?

Haas: Yes, that was 1974, I believe. I was still CEO. We were looking for an outside executive, and I remember hiring Bob. He was with B.V.D., another apparel company. He was a very capable executive, and eventually he became president for a short time. He was put in a very difficult position, I think, because he was the first non-family member to serve as president. He was kind of like a meat in the sandwich between Peter and me on one side and Bob on the other.

Lage: That would be difficult.

Haas: He did a good job, although with all respect, and I don't know that it was his fault, it was not a particularly successful time in our

company's history. But by then, Peter was CEO and dealt with him more directly, and I'm not that familiar with what happened. I'm not qualified to comment much further except that we kept in touch when he retired. He retired fairly early.

Lage: The book by Ed Cray on Levi's mentioned that Bob Grohman's management style was somewhat different from what the company had been used to.

Haas: I think it probably was. He probably didn't have the personal style. I think it was more conventional, more by the book, more with goals and budgets and all of that. We had those things, but we didn't deal with them as most companies do.

Lage: I imagine that would be a hard situation to step into, with the family on both sides.

Haas: Very, very. We really tried not to intrude our family style, but I guess there were indirect pressures.

Lage: Was there also a problem with the fact that he had been brought in more recently, and then, you know, promoted over some of your long time executives?

Haas: I'm sure that was a factor. Bob Grohman made an effort to stimulate our business because it was, at that time, beginning to flag a little bit. We got into a group of smaller businesses that were not successful because we didn't have much background. And that's something I want to talk about later.

A Tremendous Trademark and Problems with Imitations

Haas: Levi's was just a tremendous trademark. The movies had glamorized the product, and it just caught on internationally.

Lage: I remember students financing their European vacations by selling their Levi's.

Haas: Oh, yes. And they still can. If you want to take a chance, you can go to Russia and pay your way now because you'll get over a hundred dollars a pair, I'm told.

Lage: One thing that hasn't come up is the Orient. You got into Hong Kong in 1964, when you opened a factory in Hong Kong and had some relationship with the Tang family. Do you recall them?

Haas: The Tangs were the major textile manufacturers. I was involved, but I confess that my whole orientation was still domestic. Now we're a global company. Returns from international are greater than they are from domestic.

Lage: Really?

Haas: Yes. But I can't claim great knowledge or responsibility for it--it just grew. We had good people, and we had our problems. We had trademark problems and we had quality problems and we had counterfeit problems.

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Haas: I think our security people could write a book about our problems with imitations. We've had so many incidents of major, major production of imitation Levi's in various parts of the world. And it's almost impossible to stop. It keeps growing.

Lage: We're not talking about companies here in this country who make similar styles.

Haas: No, no, no. Imitation of Levi button-front 501's, the tab and all the rest of it. Their stationery is even the same, and their invoices. We have a wide security force of at least a half a dozen people all over the world, trying to stop this. It's hard to get cooperation of governments, including our own. There are tens of thousands of these imitations going around.

Like cigarettes, it's a hard thing to trace. We've had big trucks hijacked from our warehouses. And I can't begin to--I don't even follow what's going on internationally now, but we've had major vice presidents of important banks in London kind of heading up a cabal that will be responsible for this because there's a lot of money being made and because it's--.

Lage: And then selling them for a bit less, for less money?

Haas: No, they sell them for a lot of money. But the point is they don't have the same quality and that affects our reputation. And so it's really a major issue with us.

Now, we also have problems with diversion, which is a more difficult problem, because people will buy Levi's and send them to Europe where there's a higher retail price. And that's pretty hard to stop. They'll just go into one of our major accounts and buy a bunch of them, pick up a half a dozen here and a half a dozen there and then ship them overseas and sell them for more.

So, these are problems that are ongoing now and I shouldn't even get into it, but that trademark is valuable and protecting it is a constant concern.

Cheetahs in Belgium

Lage: You told me about one employee in Europe with a unique answer to the problem of thefts.

Haas: Oh, yes. We had a fellow in Belgium in charge of our warehouse named Charles Bornstein. Charles Bornstein was a fighter in the Belgian underground, and he was a strange character but kind of fun. When we visited Brussels at one time, we were too busy with other management people to spend much time with him. He really insisted that he wanted to visit with us, and he asked if he could drive Evie and me to the railroad station when we went to Paris. So we agreed. I remember looking down from my hotel window and seeing quite a crowd in the parking lot. I got down, and there was Charles Bornstein with a station wagon and a live cheetah in the front seat. It turns out that Charles trained cats, as he called them. But he did something quite remarkable because he trained different species of large cats, tigers and panthers and cheetahs. They all got along together, which apparently is not normal.

Anyway, we saw this damn live cheetah in the front seat with a big collar around it, and he had the bellman put our bags in the back. Well, I didn't want to get in, but he said it was perfectly all right. Evie was a wonderful sport.

We sat in the back seat of that station wagon. This cheetah turned around and put his head on the back seat, no more than eighteen inches from us. I guess he was purring, but we weren't sure. Of course, we were driving through the town of Brussels, and every time we stopped at a stoplight, people would see this wild animal. Charles said, "Would you like to see my cats? We have time." So we went to his office, and on his roof in downtown Brussels he had a big cage with a black panther and a cheetah and half a dozen different types of big cats.

He was in the cage petting them, and he said, "They're very gentle. Come on in." I said, "No way." But he got his secretary to go in, and the cats kind of bumped up against her and growled and she patted them. I like to think it would have made a heck of a newspaper report: "Levi's president eaten piece by piece." I didn't do it. Then we eventually did get to the train station, and poor

Evie had a rash from that cheetah the whole time she was in Paris. But that was a unique experience.

Lage: Now, was he an executive in the company?

Haas: No, he was the warehouse manager. He had remarkably small losses from theft. Well, we discovered the reason was that he had a couple of those animals patrolling inside the warehouse.

Lage: So he put the cats to use in the business.

Haas: Yes. Actually, he came back from a long lunch hour one time, and there was an intruder in the warehouse with a big cat with his two feet on the young man's chest.

Lage: No stealing Levi's there.

Haas: No stealing Levi's. Another time, a kid saw the cat and jumped out the window and broke his leg. Our insurance company heard about it and put an end to it. But it was certainly a remarkable experience in the back seat of that station wagon.

Lage: That shows the difficulty of maintaining close controls in Europe, so far away.

Haas: If we'd had more Charles Bornsteins, we probably would have been all right.

Lessons and Company Values in the International Setting

Haas: Now, maybe I should mention one lesson I learned overseas. We had a contractor in Belgium. And we had always had a little trouble with him. Let's just say that sometimes his values were different than ours.

Lage: That's very diplomatic.

Haas: It was kind of a rocky relationship, but he was important because he produced a lot of Levi's.

Lage: He was a manufacturing contractor?

Haas: Yes, and then I remember that we got into a major trademark dispute with him. Along the way we felt he was copying some of our marks. So we sued him. It was kind of a long and bitter contest, but we prevailed. This is when I learned a lesson. I don't remember what

we did but we really, I won't say lorded it over him because that wouldn't have been practical, but we really twisted the screws-- maybe he had some stock left over that we made very difficult for him to dispose of. Whatever it was, we were tough.

Well, this infuriated him. So he appealed the case. And I'm pretty sure he bought the judge. The decision was reversed. He told me one time, "If you hadn't been so tough with me, I'd have accepted the verdict, but you really made it so difficult that it made me angry." Of course this cost us money and time and everything else. I remember that. You don't crow when you've been successful. I think that's an important lesson.

Lage: Did you have problems in passing on company values in that international setting? Or did you try to?

Haas: We certainly tried to, and I think basically we have. I have no question about it.

Lage: But primarily, at least my notes show here, you've put foreign nationals in charge of a lot of the operation.

Haas: Yes, well, that was very important to try to do that, and it was not easy.

Lage: And then you have these values that may or may not--

Haas: No, the values carried forward. I know that we had these community involvement teams, which we haven't yet talked about. I didn't see any place for them in some of the countries we were operating in. They were socialist countries. But we tried them, and they are very successful, very helpful with employee morale. They helped us become better accepted in the communities.

I know that we had several shareholder meetings when we would invite people from those teams to address our shareholders. It was very exciting for me to see how they were doing internationally the same kinds of things that we were doing in Texas or Tennessee or wherever.

So, international was growing. And I guess it was growing in spite of me. I don't know. [laughter]

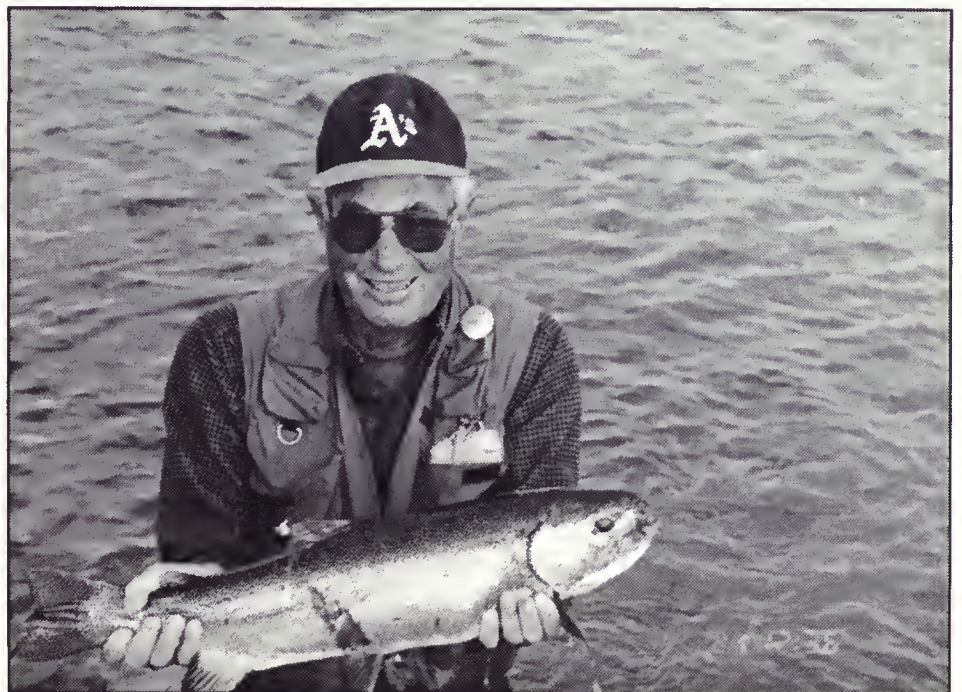


Betsy's "coming out," 1963. Walter A. Haas, Jr., Evelyn D. Haas, Betsy Haas, Elise Stern Haas, Walter A. Haas, Sr.



At the Montana ranch, 1981.

In Alaska, 1991.





On the Montana ranch. Charlotte Haas, Walter A. Haas, Jr., Simone Haas, Evelyn Danzig Haas.



Walter A. Haas, Jr. at Levi Strauss & Co., circa 1984.



Wally Haas, Bob Haas, and Betsy Eisenhardt, 1990.



The whole family, 1991. Back row: Roy Eisenhardt, Elise Haas, Betsy Eisenhardt, Colleen Haas, Evelyn D. Haas, Julie Haas, Bob Haas, Walter A. Haas, Jr., Walter J. Haas. Front row: Walter A Haas, III, Charlotte Haas, Sarah Eisenhardt, Simone Haas, Jesse Eisenhardt.

VII REFLECTIONS ON MANAGEMENT, MARKETING, AND LEVI STRAUSS & CO. IN THE 1980S

[Interview 6: October 25, 1994] ##

Handling Management Mistakes or Poor Decisions

Recovering from the Debacle in Europe, 1970s

Lage: We have talked about decisions, important decisions, and turning points. But you've hinted that some of the responsibility of management is to recover from bad decisions. So, let's talk now about some of the bad decisions.

Haas: Happily, maybe I'm too egotistical, but I don't think we made too many mistakes. [laughter] At least I'm not aware of them. The biggest and most serious was our debacle in Europe, which I've gone into before. We had inexperienced management. We lost control, and there were serious losses. It affected our market position and our reputation very adversely for quite a period of time. But again, we recognized what had happened. We split the management and sent some more experienced people over there and got some good merchandising advice and accounting and controls. It's a long time afterwards, but right now our international operations are more profitable than our domestic operations. So, we really recovered. But that was, I would say, the major, major mistake I can remember.

Lage: And you attribute it to what? Just to rapid growth?

Haas: Inadequate management caused by inexperience. We just grew too fast. We, in San Francisco, failed to recognize a need to put some more experience over there until after we learned about it.

Lage: You mentioned earlier that George Daly was one of your executives who helped handle the international problems.

Haas: Yes, he was a new employee at the time. We had wined and dined him, and he came from Dart Industries as a fine financial manager with a good reputation. He thought he was coming with a great company, and within a month after he arrived, this thing exploded. So we dumped the whole thing on him to put in place the proper controls, and he handled it well. He and I went over to visit Europe. I previously told you of my discussion with Pete Thigpen. I don't remember the details but obviously George Daly was responsible for finding people with experience to handle the financial end in accounting and control. They straightened it out. He served us well.

Lage: Now, did you have an inkling that things were not well when you made this effort to hire this outstanding financial manager?

Haas: No. We hired him because we needed a new financial person. No, we were--I was caught by surprise. I surely hope that nobody else knew and didn't tell me. It's an embarrassment, that's all. We should have known.

Misjudgments in Women's Wear and Casuals

Haas: I don't say it was a failure, but our initial entry into women's wear was not well handled. It's a different market. It's a different technique, a different kind of merchandise.

Lage: That was early on.

Haas: Very early on. Then even when we went in, it took us a while before we could become a major factor in the women's field.

Lage: Maybe you needed more women in the company.

Haas: In executive positions, you bet. No, that's not a problem now. No question about it that the design and fit of women's fashions is completely different than it used to be in men's, as well as merchandising and marketing techniques. I don't think we handled it too well. I also mentioned our casual wear, which I can't say was a mistake. We had good management most of the time.

We were trying to diversify because we didn't want everything in the jeans because people are always predicting the end of the blue jeans fad. We desperately searched for some way to diversify. Casual sportswear seemed to be the answer, but we didn't come up with anything very unique or very unusual. We were battling Haggard and Farah and some other good companies. Then somehow or other,

after my time, we had the miracle of Dockers, which just within five years could have been a Fortune Five Hundred company itself.

I'm not sure of the details of this because I wasn't part of it. I frankly have a hard time seeing what a great difference there is between Dockers and what we were trying to do in casual sportswear. But somehow, somebody found the magic. Thank goodness, because it certainly has given us diversification and growth and another feather in our cap, another string to our bow.

Sticking with 501® Jeans

Haas: A couple more things. Probably we stuck with our 501 basic jean¹ too long to the exclusion of other models. Designer jeans were coming out. We were selling at capacity. We sold every pair of 501 jeans we could make. Our decision was as long as we can sell what we're making, why should we get into this style field where we don't have quite as much expertise and perhaps have more risk. But it did enable these fashion competitors to get a foot in the market and get a lot of publicity. It was only a relatively temporary thing but perhaps we should have diverted some of that production into the new styles just to maintain our position as a market leader. Maybe I'm searching, but perhaps that could be considered a possible mistake in management although the company's growth continued.

Lage: When you got into the fashion jeans, did you have difficulty finding your niche?

Haas: Well, I don't think we've ever been in the fashion jeans as I define it, really, really fashion. We have a huge variety of jeans now, whitewash and stonewash.

Lage: Easy fit.

Haas: Easy fit and loose fit and narrow legs. They're more stylish, and it's a broad spectrum of jeans, but it's not what I consider high fashion jeans. And so we're far more sophisticated marketing-wise now.

¹501® is a registered trademark referring to the original button fly blue jean manufactured by Levi Strauss & Co.

Too Rapid Diversification

Haas: I think the final flaw I would mention--and in fairness, I really think this happened after my time. It started when I was there, but the major part of it came later. We drifted into too many businesses in an attempt to diversify. We started acquiring small businesses. We were too big to give management time to a \$100 million business, for instance, or a \$50 million business. That sounds strange, but we were big then, and management time is precious, and it should go to the heart of your expertise.

Lage: What kinds of companies did you acquire?

Haas: They involved everything from Frank Shorter's Running Gear to Rainfair to Koret (a major women's apparel company) to Oxxford Suits as well as a couple of designers (Perry Ellis and Andrew Fezza), and Resistol Hats. I always thought we should try to get into something that related to Levi's special connotation. I think a certain amount of ruggedness and the youthfulness and perhaps the outdoors type of thing. So, I was thinking of camping equipment, and we didn't get into that.

Lage: I'd be interested in some of the thinking behind that one.

Haas: Well, we were trying to diversify, and I think we got into businesses that were not profitable, that took our time. One of the major contributions Bob made was to cut all these out and return to the core products.

Relationship with The Gap

Lage: Did you have a relationship with The Gap in the early days?

Haas: We certainly did.

Lage: That would be important to talk about. There's another very successful company.

Haas: Well, The Gap and Don Fisher is a personal friend.

Lage: What age group is Don Fisher?

Haas: Don is, I'd say middle sixties now. Don was in real estate or something, I believe, and he got the idea that the young people were interested in records, music, tapes, and Levi's. He opened his

first store out on Ocean Avenue near City College, and he called it The Gap, which is a marvelous name because it's symbolic of the generation gap. His wife, Doris, was very instrumental in the whole business. They had Levi's and they had music, and I was convinced that they couldn't do both and that Levi's would go by the wayside. However, much to my surprise, he kept the Levi's and got out of the music business.

Lage: Was it just 50ls?

Haas: No. Whatever--

Lage: Whatever you were making.

Haas: I think it was mostly jeans. But he would have all different styles of jeans by size. So, whatever your waist was, thirty-two by thirty-two, you could go and get your selection of those pants that fit you in one cubbyhole, which was the basic secret, initially. Eventually he dropped the tapes.

Lage: And not the Levi's.

Haas: He was very successful, and he gradually began opening more and more stores.

Lage: Did you have any back and forth about his company or any special relationship with it? He was just a customer?

Haas: No, he became really one of the most important customers. We had a very excellent relationship for a long period of time. But at some point we began to feel that he was exploiting Levi's to promote his own lines. He began to get other products besides Levi's and put stuff under his own brand name, but he used the name Levi's to draw people into the store, and the Levi's became harder and harder to find there. Now we don't sell him, and he's doing very well.

Lage: So, you decided not to sell to him.

Haas: Two years ago we decided not to and we are basically competitors because he's very successful in what he does. We're good friends and entertain each other, but we're going our separate ways in business.

Ramifications of Selling to Sears and Penneys

Lage: Now, I see on your list here "sell to Sears."

Haas: Well, I crossed it off. I just crossed it off two minutes ago. I don't think it was a mistake. It was one of those major, major marketing decisions we made when we decided to sell Sears and Penneys. We had some real problems with some of our traditional customers when we started selling these big chains [announced decision, 1982; started shipping, 1983].

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Haas: They were, I guess, traditional competitors of our traditional customers, particularly Macy's. Ed Finklestein, chairman and CEO at Macy's, took exception.

Lage: Did they not want to carry the same merchandise as Sears and Penneys?

Haas: They did not want to have the chains carry the same merchandise that they did because that would probably take customers away, they thought. Macy's publicly canceled every order they had and said they'd never buy from us.

Lage: My goodness.

Haas: This was a challenge. I knew Ed Finklestein when he managed Macy's out here. We were pretty good friends at the time. We knew how he felt, and we also knew of other retail stores that would be distressed. I took it off my "mistake list" here because I don't think it was a mistake. It caused a lot of worry and concern and adjustments, but it was not a bad decision.

Lage: Now, how did it get resolved?

Haas: Well, they didn't buy from us. And the fact that Macy's wouldn't buy from us affected a lot of other stores. So, for quite a number of years this problem continued. Meanwhile, Sears and Penneys became probably our first two major accounts in terms of sales volume. We have an excellent relationship with them.

Most of the retail stores that dropped us gradually came back because Levi's is a powerful customer attractor. Macy's didn't until they went through bankruptcy and they replaced Ed Finklestein. Then they came and had a number of meetings with us asking if we would sell them. Bob handled it very well. For a while, we had limited production. He said, "Well, we're not going to sell you if you're going to cherry pick," which is a term that means they just pick certain items. They had to put in Levi's departments and so forth and so on. Now, our relationship is excellent, and they carry and feature Levi's. So that goes to show that what goes around comes around. But it took ten or fifteen years, I guess.

Lage: That is a long time.

Haas: And Macy's was a major customer. At one time it was our largest department store account.

Lage: I don't see how a store like Macy's could not carry Levi's.

Haas: Well, most of their buyers and merchandise people wanted to, at least told our sales reps they should, but Finklestein wouldn't do it.

Painful Plant Closures

Lage: What is this note about overcapacity?

Haas: Oh, that's important. That's another problem which I think developed somewhat after my time. That's why I want to see the sales figures, because we had to develop plant capacity as we were growing and expanding. It takes a while to build production, to build a factory or buy one, modernize it, train operators. So there's quite a lag there. But when sales begin to flatten out, you don't need all that production. So there was a time when we had to have a major adjustment in downsizing, which is a painful, a very painful experience. Again, I'm talking after my time.

Lage: This under Bob's management?

Haas: Downsizing started in 1982 under Bob Grohman. The major cuts--layoffs, facility closings, selling or closing businesses--took place in 1984-85 under Bob. It's painful because you're dealing with people's livelihood. We are experts in closing plants in the sense that we try to be sensitive to the needs of the community, to help employees find other jobs, to do retraining, to have generous severance. I think we're well ahead of almost any company in the United States, but it is still terribly painful. I'm glad I don't have those decisions, and I was lucky because we didn't. We were growing and always looking for opportunities to expand.

Lage: You were there at the right time.

Haas: Yes, I was. So, that's about, I think, as much as I care to say about it.

"Seat of the Pants" Economics

Haas: Several years ago I was asked to testify before a congressional committee on the United States budget. I know nothing about the United States budget. So, I called my friend Bob McNamara and said, "Bob, what should I do about this? You've done it dozens of times." He said, "Well, I'll tell you what I do. I get two or three economists to draw up papers. I read them, and I take the best of each." And I said, "Bob, my economist is the seat of my pants." [laughter] He kind of laughed.

Then I called George Schulz. I said, "George, I'm kind of lost. What would you suggest I do?" He said, "Well, don't worry about the United States budget. Tell him about something you know, the apparel business." So, I followed George's advice. I spoke before a committee of senators and congressmen. There were about three people besides my family in the room. As I left, labor was going to make its presentation on the budget, and they filled the room. So, I had an experience, but I don't think I affected the budget. [laughter]

Lage: That's a wonderful story.

A CEO with a Marketing Orientation

Lage: Let's go back to your list. "Firm believer--"

Haas: That's an observation I wanted to make. In a consumer products company, I'm a firm believer that the CEO has to have a market orientation. I don't think it should be a financial type. I don't think it should be an operations type. I think it should be somebody with a feel for marketing, a sensitivity and understanding, and recognition of its importance. That's my own personal feeling. There is no reason in the world that you can't get people to carry out these other functions.

Lage: The CEO should be the marketer and then hire the financial people?

Haas: That's right, rather than the other way around. This is just my own personal view, but I see it in other companies.

Lage: Do you see it both ways in other companies? Is that what has built your view?

Haas: Yes. I know of one of the executives I admire the most who became head of a consumer products company. He had really had a very distinguished career, and it was not his finest hour.

Lage: Because he didn't have the marketing orientation.

Haas: Yes, and then I'll see someone like Don Fisher who's marketing oriented and so successful, just to take two extremes.

Lage: Well, that's a very good point. Did you make that point when you gave your talk at the Cal business school class?

Haas: I don't think so. I don't think so. That was a long time ago.

The Decision to Take Levi Strauss & Co. Private, 1985

[Interview 8: November 22, 1994] ##

Lage: My thought today and I think yours, too, is to discuss how and why Levi Strauss & Co. went private after fourteen years as a public corporation.

Haas: Well, we'd been private for about 120 years, first.

Lage: I want to know your role in the process, but also your reflections on the significance of it.

Haas: It was probably one of the wisest decisions ever made at Levi Strauss. It was made by Bob. I had no role in it.

I give Bob and his associates full credit, not only for doing it, but for the way they did it. In so many ways, the company has thrived since then. The shareholder values have increased, I think, almost 1,000 percent, if you can believe that. The management is able to run the business without being concerned about quarterly results or investment analysts. They can plan programs with long-term implications. The huge debt, which had scared me beyond understanding, has been paid off completely and way ahead of schedule. It was just really quite remarkable. I believe it's recognized as one of the best, if not the best, buy back in the history of those transactions. It was accomplished by Hellman and Friedman, who did a superb job.

Lage: And Warren Hellman had been the one who assisted you in going public.

Haas: Yes, and then he took us private. Of course, he's on our board now and a very, very helpful and wise consultant.

Lage: I'm not sure I fully understand what going private entails--for instance, in terms of family ownership and employee ownership.

Haas: You buy back all the shares and take them off the public stock market. The family acquires them.

Lage: I see. You purchased back the public shares.

Haas: Yes. Then we had the total equity, and our ownership increased to 100 percent.

Lage: Were there some members of the family that were bought out?

Haas: Some of the family? Oh, not everybody wanted to participate. They were given a choice of maintaining their proportion or selling some shares.

Lage: So, would they go into debt individually to buy back a portion, to maintain their portion? Would an individual family member--?

Haas: No one needed to borrow to participate. They either put their shares into the new company or sold them (to the company; the company borrowed \$1.65 billion to finance the repurchase).

Basically, you just take the shares off the market, change your board of directors, and--

Lage: So, the outside members of the board go off?

Haas: They're gone. That was one of the hardest things because we had a very fine board and the new board gave representation to family according to their shareholdings. With all respect to some of them, they obviously didn't have the commercial experience or expertise that members of the previous board had who headed major American corporations. But Bob is handling it superbly.

The Family Buy Back, a Huge Risk

Lage: At the time, you thought the buy back was a huge risk.

Haas: It was a huge risk. First of all, you put the company in play. And I didn't think it was necessary to buy it back because the family had control of 40 percent of the shares. That should be enough to

control the company. Well, first of all, I didn't fully appreciate how many computers our company was on, being tracked by predators who were interested in buying a company that had a well-known consumer product and an incredibly large cash flow. We're really what we call a cash cow. I had no idea that they were waiting to pounce.

Once you tender an offer to buy back the shares, the company is in play. That is where the big risk is, that someone will step in and match your offer or offer a higher price. As I said, I thought it wasn't necessary because we had 40 percent control, not realizing that the 40 percent wasn't as solid as I thought it was.

You've got to realize that by this time a lot of the family shares were held in trusts, by foundations, or by generations or individuals far removed from the loyalties and connections that all of us had had. They had desires which were not necessarily compatible with the company's. Trustees of foundations or institutions that might own the shares, the family organizations that might own the shares, had a fiduciary responsibility that went beyond family loyalties. So we didn't have control.

Lage: That 40 percent wasn't solid?

Haas: It was not at all solid. So, I'm just repeating, but it was a superb concept carried out tremendously well. I'm very proud of what they did. I'll leave it there.

Lage: And it was followed by some trimming back of the company.

Haas: Oh, yes. Then we were able to get rid of some of the peripheral businesses, cut back on duplicate expenses. That was one of the purposes.

Lage: It couldn't have been done under the public ownership?

Haas: Well, it wasn't being done. Let's say that.

Lage: It's a fascinating story.

Haas: Oh, it was very interesting because there were differences of opinion. Who knows, if it had got into play and then been taken over by somebody else, we'd be a completely different company today. As it is, our sales are up to \$6 billion, and the company continues to do very well competitively and every other way. And Bob is able to conduct the business in a way that makes you proud to be a part of corporate America.

Lage: You have indicated that Bob played this kind of close to the chest. Was this highly--

Haas: Oh, boy. They had to. They had to.

Lage: We'll have to get the story from Bob some day.

Haas: All right. I'll let you try to ferret that out.

Lage: That's fine. Let me just clarify a couple of things. Did going private rule out the possibility of employee stockholders?

Haas: No, no. We have management employee stockholders. Then we have various employee benefit plans that own Levi Strauss stock. So the employees really are shareholders. Actually that was one of the great benefits we had when we were private initially that I hated to give up when we went public. The employees owned shares, and it was just a different feeling when you're part owner. It gives, I think, a feeling of participation and involvement that employees don't have otherwise.

Lage: Very much so.

The Cancelled Olympics of 1980

Lage: Do you have anything to say about the Olympics and Levi's role in 1984? Was that anything that you got involved in with your great interest in athletics?

Haas: I was involved in 1980. We provided the parade uniforms for the Winter Olympic team. I can't remember a moment when I had a greater feeling of pride than when we saw the American athletes parade out at the opening ceremonies wearing Levi's jackets and Levi's outfits. Then they cancelled the summer games.

Lage: Oh, that's right.

Request from President Jimmy Carter

Haas: They cancelled the summer games. We were having dinner one night, and our housekeeper of many years came in and said, "There's a Mr. Carter wants to speak to you." It was the president. He indicated that the summer games had been cancelled, but they were going to

have a week of ceremonies for the athletes in Washington to thank them for qualifying, and would we be willing to still supply the uniforms. And I said, "I'd be very happy to."

So we did. Evie and I went back for the week. It was a very exciting time. You know, the public didn't even know that the athletes were being given some recognition. The company rented the basement, I guess, or a ballroom in one of the major hotels, and we brought in about twenty or thirty sewing machine operators, because even though we had the measurements in advance, the 400-pound weight-lifter and a 90-pound gymnast required some alterations. So we set up a little factory back there, and we distributed, I think, thirty-five or forty pieces of clothing to each member of the team. It was really fun meeting them. We had a lot of anecdotes from that.

Evie and I were invited to a reception in the Rose Garden where the team was going to parade and be introduced. I said, "I'd like to do it, but can I invite some of these ladies who were sewing machine operators?" The president was very gracious, and said we had six or eight who could come.

So I went to the factory when it was in operation. I stopped the operation, and I said, "Now I have a little surprise. Next Wednesday afternoon eight of us are going to the Rose Garden. I'm going to draw your names out of a hat. But there are no supervisors in the hat." So, I drew eight names out. When I was halfway through, a little, quite elderly lady whose name had been drawn stood up. She was retired. She turned out to be the sweetheart of the group. And she said, "I quit." I said, "What do you mean you quit?" She says, "I'm going to buy a new dress."

Ceremony at the Rose Garden

Haas: I remember, then, the ceremony at the Rose Garden. Everyone was having ice cream and cookies, and the parade had taken place. Then the president stood up and asked Evie and me if we'd come up to the podium, which of course we did. Evie had spilled some strawberries on her dress and was mortified, but those things are magnified out of proportion. He publicly thanked our company and me for staying with the team when all the other sponsors had abandoned them, which was very nice.

I said, "Mr. President, that's wonderful, but we have eight employees here, and they're really more responsible than I am for all of this. I wish you'd acknowledge them." He says, "Invite them

up." I said, "I can't do that." He said, "Well, I will." So, he went to the microphone, and he actually invited the other Levi employees that were there to come forward. Here were eight folks from little southwestern towns, who maybe had never been in an airplane, certainly never been to the White House, up there having their picture taken with the president. It was a pretty wonderful, exciting moment.

Lage: Well, that's a wonderful story.

Haas: In '84 I went down to Los Angeles for the Olympics, and we had a hard time because we only had a limited number of tickets for directors and customers and everybody else. That was very exciting, too. But I remember the '80 Olympics far better.

Lage: The '80 non-Olympics. Not really an Olympics.

Haas: Oh, yes. Non-Olympics. I know among the questions you have for me [on the interview outline] is the Cambodia Crisis Committee. That occurred because of this Olympics connection. Through this period of sitting in the presidential box at Lincoln Center and other festivities, we got fairly friendly with President and Mrs. Carter [Rosallynn Carter]. She was heading up an effort of Cambodian relief. She had Ted Hesburgh [Rev. Theodore Martin Hesburgh], president of Notre Dame, who was a public representative, and I think it was [Lane] Kirkpatrick for labor. She was looking for a representative to represent corporate America on this committee and asked me. It all started because of these Carter connections in 1980.

It was a fund raising effort. I don't think it was particularly well known or particularly successful. But it all arose because of our involvement in the non-Olympics.

A Political Maverick, with Minimal Political Involvement

Lage: I remember you told me you were a Republican. Now, here you are consorting with these Democratic presidents.

Haas: Well, I know them better than I know the Republican presidents, and I don't know anyone in the current administration. I'm kind of a maverick. I vote for the individual, but that's another story.

Lage: I recall reading that you headed up some support for Lyndon Johnson.

Haas: No, I was appointed by Lyndon Johnson in the National Alliance of Businessmen.

Lage: But you weren't--?

Haas: But I was never involved. No, I never--people often wondered or asked why I didn't get involved in politics. Well, there are just so many things you can do. My father was very interested in politics, and I felt he got kind of short shrift from the Republicans for all the work he did. It's not a matter of great interest to me so I spent my energies elsewhere.

Lage: And in local politics? Did you get involved at all?

Haas: No. Occasionally, we'll support an individual or a proposition. But that's a very secondary interest.

Lage: Even when the answer is "no", it's important to get these questions in the record.

Haas Speeches: Humanizing the Work Force, Computerizing the Process

Lage: I don't know if you even remember this, but I was intrigued by this copy of a speech you made in 1973 "Humanizing the Work Scene." Is this something you remember?

Haas: No.

Lage: It reminds me of some of the things I've read that Bob seems to be interested in now.

Haas: I don't remember this, but I do remember giving a lot of speeches, and I normally try to write the heart of the speech myself because I'm not comfortable using other people's words, even though my words are not always as articulate as I would like them to be. But I do remember giving quite a number of these speeches on ethics and humanizing the work force and so forth, and working hard on them, and feeling very frustrated that they filled a gap but they didn't accomplish very much.

Lage: Well, this seemed to be a whole conference on the subject. You talk about flex time and job enrichment, and you imply that the top level management can be interested in some of these new approaches, but you have trouble with middle management being less supportive.

Haas: You know, I don't remember this one at all.

Lage: Okay. I just thought I'd bring it up and see if it brought back any memories.

Haas: No, but I do recall one speech that I was very pleased with. I think I gave it to our sales force in Arizona or New Mexico about the sales rep of the future and the relationship with retailing. It was long before we had computers developed to any degree of sophistication, and I think I was able to anticipate the kind of service we could give by tying computers together, which seemed like I'd been smoking marijuana, but it was pretty prophetic, and I was very proud of it. As a matter of fact, I read it almost ten years later.

Lage: And you felt like you had seen it happen?

Haas: Yes, yes.

VIII CORPORATE SOCIAL RESPONSIBILITY

[Interview 7: November 3, 1994] ##

A Tradition at Levi Strauss & Co.

Lage: Now, I think we should, if you're ready, get into the topic of corporate social responsibility.

Haas: All right. Let me just begin with a little background. The leaders of Levi Strauss & Co. have always felt responsible to be good corporate citizens starting with Levi Strauss himself, who gave scholarships to the University of California for their students. And then Milton Grunbaum and my grandfather with bonuses for the employees, if you recall. Following that, my father and uncle insisted that the company be responsible in all the communities in which we operated, in a variety of ways as the company started to grow. Peter and I consciously sought to strengthen and enhance these policies through the years.

Lage: There are the two threads, treating your employees well and then there's also the responsibility to the broader community.

Haas: Exactly. All the stakeholders--whether it was customers, communities in which we had operations, employees, suppliers, everybody connected with the business--we have to have a good relationship with. Being a good corporate citizen involves recognizing the needs of all your constituencies, and almost equally. You obviously have to make money to continue, but you can't make money at the expense of, at the sacrifice of, employees or any of these other entities that are important.

Lage: It started as kind of a family feeling, the family ethic.

Haas: I think so. I think it did.

Working towards Year-round Employment in Levi Strauss & Co.
Factories: An Early Decision

Lage: And then how did it get institutionalized in the company? That's a key thing.

Haas: Well, we did it. I guess we really did it. And Bob's carrying it on even to a greater extent. I think our first--Peter and my first --move in this regard was a little different. We are in a seasonal business, or we were. Basically our product was Levi's jeans, and they didn't sell very well in the winter, and they sold very well through vacation, summer, back-to-school time. It was customary for companies like ours to lay off employees in the winter and then hire and train them for the busy season.

We decided that we would take a risk and come as close to regular employment throughout the year, building up inventory in the off season on the hope that we could sell it in the selling period. And that was risky, because although the style risk seemed rather minimal, certainly the cost could change very substantially if the price of cotton went up or down, or the price of denim went up or down, or the economy rose or fell. So that was not a casual or foolproof decision. But I think that was one of the early ones. We decided--

Lage: Do you remember around the time period? Would that have been in the forties or early fifties?

Haas: Yes, it must have been then. It was one of our earlier decisions.

Lage: And that was in consideration of employee welfare?

Haas: Well, we felt that we were responsible for the livelihood of X-thousand people. Maybe we had one thousand or two thousand employees, and they probably had a family of three or four. So, we felt a responsibility to, oh, six or eight thousand people to see that they were fed and clothed and had a decent life. That was the basis for that decision and others that followed.

The National Alliance of Businessmen, 1960s: A Crossroads

Haas: So we had this conviction, and we were working at it. But the real change in my thinking in my life came when I was appointed to the National Alliance of Businessmen. That was a springboard of a lot of things that we undertook in subsequent years.

Lage: And some of the institutionalization.

Haas: Exactly. The National Alliance of Businessmen was formed by President Johnson to provide jobs for 500,000 hard-core unemployed. That meant people who had been in jail, most of them minorities, who had trouble keeping a job, didn't have the proper education, and so forth and so on. It operated just like a Community Chest campaign. There were nine regions and nine executives on the executive board. I was appointed western regional director. My job was, within one week, to get nine city chairman from the major cities in my region, which was the biggest region geographically.

Lage: One week.

Haas: One week. I was to report back to the White House. And you learn you can do those things.

Lage: Where did you go for these nine city chairmen?

Haas: Well, there was input from the White House, of course. But on the West Coast, Los Angeles, San Francisco, Seattle, we had business connections, and I tried to think of individuals who had influence in the community and who would also be receptive to this. Then, each region was assigned a percentage of the 500,000, just like Community Chest. Then, within the region, we assigned it to the nine cities and that was the goal, to approach the major businesses and persuade them to undertake the hiring and training of so many people.

Basically, that was the program. It was a wonderful program. It was the first time, to my knowledge, that business and government and labor worked together on a national project.

Lage: And how was the reaction of the business community? Did you find them cooperative?

Haas: Well, it was interesting because here's a Democratic president. But he persuaded everybody there was a big need. We had meetings and--

Lage: Did you have to do some arm twisting on your own?

Haas: Oh, of course. The idea was to indicate that it was good for the country, good for the community, to rehabilitate these people. By gosh, we did it. It was very rewarding.

As a footnote, subsequently, when Nixon took it on, it became a numbers game. The excitement, enthusiasm, the crusading feeling changed, and I felt I'd done my bit and retired from it.

Lage: Was there a different national chairman of it when Nixon came on? Was that a factor?

Haas: Oh, yes. Don Kendall replaced Henry Ford when Nixon became president. Henry Ford was the chairman under President Johnson, and Paul Austin at Coca Cola was the vice chairman. When Don Kendall of Pepsi-Cola came on, it was a different approach.

Lage: When you say it became a numbers game, what do you mean by that? Was the idealism sort of dropped?

Haas: Well, you just had to fulfill your quota. It didn't matter how, exactly. I don't want to get into that so much. It was just a different feeling. It wasn't that feeling of crusading but a feeling of fulfilling quotas, I guess, regardless of whether they were well-designed programs.

Lage: Was Henry Ford a good person to work with? Had you worked with him previously?

Haas: Yes, I'd been on the Ford Foundation, and I always had high regard for Henry. He was a very frank and outspoken guy with good ideas. I followed his development of the Ford Motor Company very carefully when he brought in the Whiz Kids, among them my friends Bob McNamara and Arjay Miller, who has become a great friend since then. I know Henry's considered, at times, a playboy, and he had problems in college, but he proved to be a fine executive and industrial leader in both the Ford Foundation and in the National Alliance. I was very impressed.

Lage: Would you have anything to say about the other people you brought on board out here in the West? Were there any particular--?

Haas: They were good, they were all good. We researched them in that short period of time.

Lage: Did you have to kind of stay on top of them?

Haas: Oh, yes. I had a small staff here headed by Hersch Goldberg. Have I ever mentioned Herschel Goldberg?

Lage: You've mentioned him but not in detail.

Haas: Hersch was an admiral in the navy, which by itself is something of an accomplishment for a Jewish individual, I think. I remember going to interview him in his office with a big flag. His office was a heck of a lot bigger than mine. I was rather intimidated by high ranking military officers from my experience in the service.

We hit it off right away, and I hired Hersch. He was one of the superstars of our company till he retired.

Lage: Was he just retiring from the navy when you went to interview him?

Haas: Yes. I don't remember how I got his name, but I think he was retiring from the service.

Lage: And did you hire him for the National Alliance of Businessmen program?

Haas: Hersch first came to Levi Strauss as a special assistant to me and did a variety of jobs. He made special studies and spent quite some time initially in inventory management, which was a problem area for us, and he did some work in community affairs, which was really in an embryonic stage at that time. But his big contribution came in our work with the National Alliance of Businessmen; he took over that operation with a small staff. He was ideal for the job and I really believe we were recognized as the best region in NAB. When Hersch moved into that position, Tom Harris took over the work in community affairs.

Lage: It would be interesting to know how his experience as admiral translated in this new work.

Haas: He was, of course, an excellent administrator, very good with people, well liked by everybody. It's nice to bring somebody in from the outside who immediately is respected and appreciated. Hersch was one of those. He became a--not a special assistant to me because I've never had that, but a special advisor. When I had problems of any kind, he's the one I would think of to go to. Even though he was new in the company, he's just a wonderful man with good judgement and values.

Anyway, Hirsch had a couple of other people with him on the staff. They did the leg work and the statistical analysis and determined the need to go here and there. I remember going down to San Diego to get the fellow, I think his name was Andrews, who was head of PSA [Pacific Southwest Airlines]. In those days, part of PSA's merchandising or marketing technique was to have really pretty hostesses on the planes.

Lage: I remember that.

Haas: I had never met this fellow Andrews before, and I went in at eight in the morning to see him, and he said, "Sit down and have a cup of coffee. I'm exhausted." I said, "Why?" He said, "Well, I've got to choose the uniform for our girls' basketball team, and I had a group of our stewardesses in modeling, and I really need to catch my

breath." [laughter] So, forgive the chauvinism, but it was kind of a fun way to meet a nice guy who did a good job.

Lage: Now, what about the NAB program at Levi Strauss? You actually hired a lot of the hard-core unemployed yourself, as part of the program.

Haas: Yes, we did. But before we get to that, the important thing about the National Alliance of Businessmen, what I learned from the NAB experience, was that business could do a lot of things that I had thought government should be doing.

That was key. There were so many different innovative ways of training. I don't remember them all, but I do know that one company, from I think down the Peninsula, would get a bus to bring people from, let's say, Hunters Point. During the bus ride they'd teach English or grammar or work habits or whatever, because a lot of the employees had no discipline, no experience, no work experience. I really learned that business can do a lot.

Lage: So, this was an educating experience for yourself.

Haas: This was, as I say, kind of a crossroads in my thinking about what Levi's could do that it had never done before. I remember we had a little typing pool of mostly women who had never typed. But you had to lower your qualifications for people who had never had enough experience to do certain things. And you found you could do it, and they could do it.

Lage: Then you had to train.

Haas: Then we had to train them, and then they became productive members of the work force. So, that was the eye-opening experience that, as I say, got my good intentions, perhaps, to a more practical point.

Community Involvement Teams

Lage: Somehow this works into setting up the Community Affairs Department. Is that correct?

Haas: Yes. When I resigned from the National Alliance of Businessmen, we had at Levi's a good staff, a small staff, of dedicated people. I didn't want to let them go. It took us a year or so to try to find out what we might do with them. I believe it was Tom Harris along with Paul Glasgow who came up with the idea of community involvement teams, CIT. That was almost the best thing we did in our company.

Lage: That seems to be a new idea.

Haas: It was a new idea, and unfortunately it's still a rather unique idea. But the idea of CIT was to have volunteers in various plant locations form a team to determine what the needs were in that community and try to solve it. Whether it was new equipment for a hospital, or turkeys for the old people's home, or a playground for the local ball club. I can't think of them all. Some of them were very, very innovative.

Lage: And these were your own employees.

Haas: Our own employees would band together and determine the needs in the community and then try to raise the money. They have everything from throwing pie at the manager's face to auctioning things off. We finally set up a very effective system whereby if they had shown a certain amount of effort and needed more money, they could apply to the headquarters, to the Levi Strauss Foundation. They accomplished so many things which we hadn't anticipated.

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Haas: It did wonders. It made Levi Strauss important in the community in a way that major corporations aren't normally thought of. It created a tie from our employees in Arkansas, for example, to San Francisco. Why would a sewing machine operator in Arkansas have any sense of feeling of kinship with the headquarters? But it did.

Lage: So, in this way, it benefitted the business, it seems.

Haas: It did. In fact, we were worried at one time that we might have some trouble with the unions. But we never did.

Lage: Now, why would the unions object?

Haas: Well, my understanding is that most unions don't want anything favorable between an employee and the management.

I really want to explain this feeling I had about the community involvement teams, because it's exciting. Whenever I visited a plant, I'd tour the plant. I'd visit with the manager. And I'd always meet with the CIT team. It was so impressive because being a sewing machine operator is hard work. Most of them are the bread winners for their family, or are earning money that their families couldn't get by without. Yet, on their own time, they volunteer to help their neighbors. It was just a very moving experience.

Lage: Now, were they given any time off, or was anything done by the company to give an incentive?

Haas: Generally, no. Generally it was on their own time. I guess there were certain occasions where you'd have a raffle or you'd have a company event, picnic. But basically, it was not subsidized through time off. The company did, however, pay for a Community Affairs Department staff. Part of their job was to travel to our plants to help train and develop the teams.

I remember the first meeting of CIT chairpersons. I went to it. Many of the women had never been in an airplane. But they were very eloquent, and they were very proud of what they were doing. Those are the experiences that make business worthwhile, really making a difference in people's lives.

Lage: They were also choosing what their own communities needed.

Haas: They would choose as a team. They would choose the projects they wanted. I tried to preach to my fellow business executives what a great program this was. It didn't take a lot of money. It didn't take a lot of time. It just took a lot of dedication like so many of these things. If it doesn't work the first time, you don't use that as an excuse to give it up. Management has to persevere.

I've compared the CITs with a mosaic. Each one by itself is kind of a small thing, but it's a very sparkling jewel. Put them all together and they make a magnificent mosaic. That's the way I've always felt about our CITs. They were really very special and continue to be.

We also started them overseas. I never thought that volunteerism in a socialistic country, which many of the overseas plants are in, would work. But they do. Now we sometimes have chairpersons come to a shareholders' meeting and tell what they're doing in Scotland or the Philippines or European countries with national health care, day care, and pension and welfare programs. It's exciting.

Lage: It must be very rewarding for you.

Haas: It's wonderful. The programs are very innovative.

Other Efforts to Contribute to the Community

Haas: We did a lot of other things. We tried several ways of providing employment. In Oakland, we tried to start a small factory, figuring that if we bought their products, they could manufacture them. As I

recall, they were making tablecloths and purses and other little kind of souvenirs with the Levi's logo.

Lage: What was the company's involvement?

Haas: We organized the plant, and we provided the employment, and we provided a guaranteed market. It didn't work.

Another major undertaking was to try to help some minority-owned retail stores. We even hired Lonnie Poindexter, I remember, who was a wonderful young man with retail experience, to give them technical assistance and help in every way. We would buy their products, and we extended them a year's credit because credit was a problem. That was a mistake. It sounded like a good idea but it just postponed the inevitable day of reckoning when they had to pay.

We discovered how very difficult it is for a small minority entrepreneur to get going. They usually don't have a very good location. They have a hard time getting insurance. They have a hard time getting the kind of merchandise they need. It's a struggle. After two or three years, we had to abandon that. Lonnie stayed with us, of course, as an expert on retailing.

Lage: It didn't work as well as your employment jobs through Levi's, it sounds like.

Haas: No, it didn't. We just thought this was a way of going into a poor community and providing some employment and giving the economy a little boost.

Then our next attempt, we thought, was really good. We established a sewing factory. We consciously searched the United States to find an area which had the lowest per capita income of any. It was in Eutaw, Alabama. They had nothing. We provided a black manager. We provided a contract. We provided all the assistance they needed to get the right quality control.

We struggled and struggled and struggled with that one because the people in that community had not been used to employment, didn't have good work habits. Being on time meant nothing to them. Then after they got the first paycheck, they may not show up for a few days until they needed some more money.

We did everything we could. We learned a lot. But some of these well meaning programs just didn't work out. So we eventually sold the plant to the community for a dollar, I think, with all the equipment. They got some government contracts so we didn't abandon them. But it was not a success.

I think the key point in these efforts is what I have mentioned before. If you fail once or twice, you've got to keep trying. I believe that a lot of corporations are reasonably well meaning, and they'll undertake something that's a little costly and off the regular course of their business. But if it fails, it's a good excuse to throw in the towel and not bother with it.

Lage: And if they are insulated from the problems of poor people who have never really been in the job market, then they have no understanding.

Haas: That's right. They have none.

Lage: You have some more notes there.

Corporate Support for Corporate Responsibility

Haas: I wanted to mention one thing. I've tried to work with Milton Moskowitz, who is a reporter who has done a lot of writing on corporate social responsibility. He always thought very highly of Levi's. I thought it'd be kind of fun to get an index fund of stocks of those corporations that were socially responsible and those that weren't, to see who did better. Unfortunately, what I hoped would happen didn't happen, at least in the short period that we valued it. The stocks of the hard-nosed corporations did better.

Lage: Of course, there are a lot of other factors.

Haas: Of course there are. This was at a time when universities were looking at their portfolios about South Africa and so forth and so on. But I remember when there was a big battle at Berkeley about their investments. I suggested that they have two sets of investments. One "socially responsible" and others strictly for investment purposes and let the employees choose, because they were the ones whose pension fund that was involved. I couldn't get it off the ground, but I thought that would be a pretty good solution to the real battle they were having about whether or not to include "irresponsible" companies in their portfolio.

Lage: Well, they now do offer the Calvert firm, which is a socially responsible fund, to the employees. You mentioned at some point I was supposed to ask you about the UC business school survey of Bay Area businesses.

Haas: Oh, yes. I thought it would be interesting to find out what was happening in our Bay Area corporations. The first guy I hired was

Leo Beebe. Leo Beebe had been the moving force in the National Alliance of Businessmen. He was a vice president of Ford, and Henry just got him set aside to run the show, and he did a heck of a job. He came out here, though, and I don't think he got a feel for the Bay Area or whatever it was. After a year I didn't think that we had learned what I had hoped to find out.

So I commissioned the business school at Cal to make the same kind of study of what various corporations were doing in community affairs. Summarizing the results, I must say I was very disappointed. Most corporations felt they were doing their share. What they were doing was far less, of course, than I thought was their fair share of the kind of things we do.

There are different types of employers. Down in the Silicon Valley, they're new. They're trying to make money, leaving out Hewlett-Packard, which is outstanding.

Lage: Outstanding in corporate responsibility?

Haas: Yes. But most of them didn't have any feel. The major corporations in the Bay Area are associated with philanthropy and are giving their X percent. It gets complicated because of defining what is included in philanthropy, or the charitable budget; does it include dues to the Chamber of Commerce and so forth and so on? So, it was an interesting study. But again, disappointing. I was trying to find a key to stimulating more interest, and I've not been able to.

Lage: There's no forum for businesses with this interest, or to engage their interest?

Haas: No, we've always tried to work through business associations, through national associations. Then we ended up just feeling that the only way to have an influence was to do it yourself and by example, perhaps, persuade others that it makes sense. You can't do it through public relations, and I must say that I think our reputation internationally now is as a progressive company. That certainly helps us. But I don't know how much influence we've had on others.

Speaking of influence, I used to give speeches, many of them on the topic of the social responsibility of business, and you've seen copies of many of them. I worked hard at it. I'm not one that can have someone write a speech for me. I really spend a lot of time and effort. People would always say, wonderful, great. We agree with you. But I had a feeling that they had no impact. So, one time, when I was called by a small group of accountants in the Bay Area to address their annual meeting, I said, "But this time I'm going to charge a fee." Of course, it took them aback a little bit.

They said, "What do you mean a fee?" I said, "Well, I'm going to charge you a fee. It takes a lot of work on my part and a lot of time, and I don't know that I want to do it without being paid back." They said, "Well, what is your fee?" I said, "I just want, at the end of my talk, for everyone there to promise that some point that I have made will be a subject of discussion between them and their employer or them and their fellow employees around a coffee table the next day."

Well, of course, they jumped at that. I gave my speech and told what my fee was going to be. Everybody said what a great talk it was. I never heard of one discussion afterwards. It was very discouraging.

Lage: They didn't report back?

Haas: No. It's very disappointing that the message seems to be ignored. Maybe I'm not inspirational enough, but I don't think that's it.

Profit and Loss Statement on Social Responsibility

Haas: I thought it would be good to try to have an annual profit and loss statement on social responsibility. Does it pay? Because people would always ask, "Why do you do this? Where does it get you?" And you can't come up with a measure. You can't come up with a measure of how this results in improvement of the bottom line. On the other hand, I think there's a huge plus for the bottom line, because I am convinced that a corporation that really, sincerely believes in the philosophy that I'm trying to explain attracts the best people.

There was a long period of time when a lot of good young people did not want to come into business. The key to any institution is the quality of the people. I mentioned our management, how outstanding it is. It's not just management. We have dedicated employees. I am absolutely convinced that our success has been because of the good people who make the decisions and provide good leadership. Also, I firmly believe that the future is very bright, for this very reason.

Lage: It's hard to quantify these things.

Haas: It's very hard to, but we're a corporation with a conscience. There's a great satisfaction in whatever accomplishments there are when you know they've been done in a way that helps people, doesn't hurt people. I think that's what Levi's stands for.

Lage: Have you done any study comparing retention figures of employees or things like that? I mean, there are so many factors that come in to it.

Haas: I haven't, and there are many factors. It has to have an influence, although the spirit today is different than it was twenty years ago when I was so involved. There is more turnover, and there's less loyalty. But, as I mentioned earlier, when we went public and people became so wealthy, they stayed with the company. We've lost some good people but not a lot.

Women in Management

Lage: I know that Levi Strauss & Co. over the years has made an effort to promote women. As early as 1972, there seems to have been an effort to move women up in management [*Time*, March 20, 1972].

Haas: Well, yes, this is another area where we tried, and were not that effective. We're still trying, and we're still not that effective. It has meant a very conscious effort on the part of management for the last twenty years. In a business like this, well, we made great strides because obviously it's marketing, merchandising. There are a lot of areas where women, if anything, might be even better, generally speaking, than men. We don't consciously have a glass ceiling, but I have sensed that many of our employees must think we do. We have Donna Goya, who is a vice president. We have a good inventory, if I can call it that, in the wings. In any promotion, this is a very, very careful consideration.

Lage: Well, I was quite surprised at the *Time* magazine article in 1972: "The chiefs of all the company's manufacturing divisions are under orders to appoint women to the next two management posts that open up."

Haas: Well, we tried various methods, but I don't know that it did much good.

Lage: Well, surely, it must be better than it was in 1971.

Haas: Oh, it's much, much better, yes.

The Haas Competition at UC Berkeley

Haas: What else can I mention in connection with corporate social responsibility? We have several programs involving the universities. We support both Cal and Stanford business schools, with various programs including the Haas Competition, an annual competition at the business school in Berkeley. The students choose a topic of importance, and then I believe they have thirty or forty or fifty students who prepare initial presentations. There's a committee to weed them out and then on a certain day, there's a final competition right here at Levi Strauss, and we have three students, each giving their views on whatever topic was chosen. They're very interesting topics.¹

Lage: Now, is this related to thinking about social responsibility, or any business topic?

Haas: Well, they choose a different topic each year, and the questions generally have an element of social responsibility in them. The idea is to stimulate students to thinking in these terms. I think it's worked well.

Lage: Would you have anything to say on the company policy towards AIDS or is that mainly after your time?

Haas: That's Bob. That's after me. I'd say that our trademark was affirmative action, equal opportunity, and Bob's is AIDS.

A Corporation with a Conscience

Haas: I think we've probably covered everything. Let me just take a minute to sum up. I said we're a corporation with a conscience. That's very rewarding. I think just making money is a hollow objective. I have tremendous pride in our products and our people and our policies. It's going to be nice to look back and not just see the wonderful growth--and I can't emphasize how incredible, how unusual that was. But it's nice to feel that I had some role in the success of making this an international company that's recognized for its integrity and its concern and its policies.

And I guess the only other thing I would say is that if you really want to make it work, the CEO has to have a fire in his

¹See Appendix E for Haas Competition topics.

belly. He's got to really want to make it work and be willing to overcome obstacles. It's not just PR. It's the right thing to do.

One more thought. That has to do with the National Alliance of Businessmen. When I was appointed by President Johnson, I really stood tall in the saddle with my children. That was important because this is recognition, national recognition by the president of the United States, of the accomplishments of Levi Strauss & Co., for which I was greatly responsible. It was in an area that young people were concerned about, and our children were very pleased that we were recognized as leaders. That was a wonderful experience for me.

Lage: That's great. It sounds like you were also open to listening and learning from your children.

Haas: Oh, I learned a lot from my children. They influenced me in a lot of decisions, particularly in the business area and particularly being open to what was happening around the company and in society and trying to be knowledgeable and understanding and responsive.

IX PUBLIC SERVICE: ON CORPORATE AND FOUNDATION BOARDS, GOVERNMENT ASSIGNMENTS, COMMUNITY ORGANIZATIONS

A Limited Role for Outside Directors on Corporate Boards

Lage: You very briefly mentioned being an outside director of other companies during our discussion of how you ran your board of directors. Is there more to say about those experiences?

Haas: Well, I think it's rather interesting because it relates to my contention of having to have someone with a marketing background to run a consumer products company. It's strange that on the three major boards I served, the companies are all regulated. Bank of America, United Airlines, as a public carrier, and Pacific Telephone. [Mr. Haas served on the Bank of America board 1959-1986; BankAmerica Corporation, 1968-1971 and 1978-1986; United Airlines, 1979-1987; Pacific Telephone, 1956-1979.]

I remember that I tried very hard to get the management to look at their businesses with a marketing perspective. As they became deregulated or the regulation became less stringent and they had to become competitive, I felt that they basically didn't think along the right lines, and they didn't have the right personnel to enter the competitive age.

Lage: They didn't have a marketing outlook because they had been regulated?

Haas: No. They were protected. Their prices were set so one major element in marketing strategy was rigid and restricted.

In those days, it was quite an honor to be on a board. I probably turned down half a dozen because there just isn't time, although I think those experiences were helpful to me, too. You make interesting connections in the business world, which I think are important. You see how others do business, and they kind of

confirmed that I thought we were doing it better. They were very interesting boards. I guess the strangest thing in my board service was that in two of the three companies, we ended up firing the president, which is most unusual.

Lage: So those boards really did take an active role in management.

Haas: They did. Yes. That's another whole topic; I could write a book on this one and I don't even get started.

Lage: Now, give me your thesis. You don't have to write the whole book.

Haas: Yes, well, at least going back to that time in history--

Lage: When are we talking about, the eighties?

Haas: Seventies, early eighties. I'm not so sure that the board of directors is the right way to govern a company. It looks like you have outside, independent, experienced advisors. But there wasn't much diversification at that time. It was usually the crony appointed by the president. So there wasn't much questioning of management policies or activities.

Lage: And your information comes from the company.

Haas: Yes, it does. So you really--I don't know a better way of doing it, but I do think the way the boards are held responsible today is far superior.

Lage: The board of directors has more responsibility now?

Haas: Yes. In those days it was considered an honor. Today, I don't know if I would accept a board directorship. One board I was sorry I didn't accept was in the publishing business. I've often thought that, if I had had another career, that publishing a major newspaper would be fascinating because you'd be in close touch with all the things going on in the world as events unfolded.

The Board Of Directors' Role in Managerial Changes: Bank of America and United Airlines

Lage: Would you have any observations about the board's role in firing these top executives? Was this Bank of America we're talking about?

Haas: It was Bank of America, and the other was United Airlines.

Lage: Did somebody sort of engineer it?

Haas: No, it doesn't--you keep asking for a specific point in time, but it just happens, it develops. I don't know exactly what happens, but I think basically, in both cases, the CEO lost contact with the board, didn't take advantage of the board, didn't take the board into his confidence.

Lage: Treated you like figureheads, perhaps?

Haas: Yes, and in the end it turned out to be a downfall, because you'd hear rumblings from staff or you'd question things, and they wouldn't be resolved to your satisfaction. In one case, two other directors and myself had a private meeting with the CEO, and it was not very friendly or successful. We kept trying to convince him that we were trying to be helpful. He kept thinking we were trying to undermine his position. Anyway, it was not pleasant.

Lage: I can imagine.

Haas: No. So, it's quite unusual that I'd have regulated companies and two CEOs who were invited to seek other employment.

Lage: Was it a time-consuming activity to be on a board?

Haas: Not as much as it should have been. I don't think any of us really applied himself to the extent they should have to, to learn the business properly.

Lage: It seems that it'd be a major commitment to really learn a business like Bank of America.

Haas: Yes, it's so different from apparel. Anyway, I made wonderful friends and interesting contacts. You have access to their economic research; there are a lot of advantages.

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Lage: Did you bring some of this experience back to your leadership in Levi Strauss & Co.?

Haas: Oh, yes. For instance, the telephone company had some figure on the number of new telephones installed. Based on that figure, they would make economic forecasts for the state of California. I don't remember the details, but I thought that it was a pretty good index. It turned out to be quite accurate. So, those are little things you pick up.

- Lage: Anything else you want to say about being an outside director on corporate boards?
- Haas: Well, I don't think so. On the telephone company board, at one point I was the youngest director in age and the longest in time of service. They got me very early on.

Evaluating Foreign Aid Projects in Brazil and Mexico

- Lage: Let's turn now to some of your public service, first at the national level. One that you mentioned as being particularly interesting was representing the Agency for International Development [AID] to evaluate their projects in Brazil in 1967.
- Haas: Yes, I was asked to go down to evaluate our international foreign aid in Brazil.
- Lage: Who asked you?
- Haas: I guess the secretary of commerce, probably. I don't remember, somebody in the government. I always was flattered when I was invited to do something by the government--this was a learning experience. I was very naive. I went where they took me. I believed what they showed me, and I really didn't find out. Then we went up to Recife in northern Brazil. It was so poor, and I got the impression that the AID money was not trickling down to where it was supposed to go. My frustrations were confirmed because Kay Graham of the *Washington Post* gave me some introductions so I was able to go around the government appointments. That's when I found out that I was just being fed a bunch of propaganda to confirm that the aid was a good thing and so forth.
- Lage: It makes you feel like sort of a figurehead.
- Haas: Yes. I had another AID project, I guess, in Mexico, where I went to try to give some technical advice on their apparel industry. Again, I'm oversimplifying, but it seemed to me they would send people to America to learn our mass production methods, which are very efficient. Then they'd start cranking out pants without any regard for the demand for the pants. They made them much cheaper than they ever made them before but maybe had the wrong style, or the wrong color, and inventories were just piling up.

So as an advisor to the government on AID I think I got a low mark.

Lage: [laughter] Well, I'm not sure you should take the whole responsibility for the AID programs.

The Trilateral Commission, 1980-1988

Lage: Tell me about the Trilateral Commission.

Haas: Oh, that's an interesting one. That's a big prestigious baby of David Rockefeller.

Lage: And what's it all about?

Haas: Well, it's been described as anything from a group that controls the destiny of the world to a bunch of communists.

Lage: So, if you're on the far right you think they're a bunch of communists, and if you're on the far left you think they're devious capitalists.

Haas: That's a group where the membership is very important to me because it's made up of leading business people from Europe, the United States, and Japan--that's the trilateral--in an attempt to promote capitalism and economic systems. They meet as a group once a year in some capital around the world. The trips were marvelous and produced interesting associations with political and economic leaders of various countries. Actually, my son Bob is on it now.

Lage: What do they ask of you as a member of the commission? I mean, are you supposed to go home and do something?

Haas: No. I don't think so. They ask a lot of the members that are very distinguished people to write a paper on some subject of world interest. Then they're presented, and there are discussions, which may not always be interesting--despite the fact that here are the best minds in the world tackling important problems. Still, the Trilateral Commission was one which I really enjoyed, mostly because of the contacts and friendships that I made. It does make a difference if you have the kind of connection where you can go to almost any country in the world and have access to a leading economist or businessman, if there's need for it.

Lage: As an international company, you must have come home with ideas that you could apply.

Haas: Oh, I did. It was a good experience. Paul Volcker took David's place. I think Bob's on the executive committee now, and Bob is brilliant and a scholar, and he really gets involved.

Lage: Did the experience on the commission change any of your ideas, or your views, or your way of operating, or just sort of broaden the scope?

Haas: It was an enjoyable, worthwhile experience.

Presidential Task Force on International Development, 1969-1970

Lage: We're just finishing up an interview with Rudolph Peterson.¹

Haas: Oh, good. Tell him hello.

Lage: I shall. He's celebrating his ninetieth birthday soon. Mr. Peterson talks about the Presidential Task Force on International Development in his oral history. He chaired it and you were a member. You have a photograph here.

Haas: That's it right there. There's Rudy and Nixon, Bill Hewitt, myself, and Bill Casey, who later was the CIA [Central Intelligence Agency] director. And there is Will [William P.] Rogers [secretary of state, 1969-1973]. Yes, that's it.

Lage: And this was during the Nixon administration. Mr. Peterson said there were seven months of meetings. It sounded very intense.

Haas: It was, and we had some pretty interesting and important people. I didn't--I will say that I've been a member of a number of government task forces, and I'm pretty cynical, as you know. In most cases, we worked for several months and crossed the country once or twice a month for the meetings. In the meanwhile, they sent us papers we'd study and comment on. And in most cases, we would present them to the president and nothing would be heard subsequently. But Nixon adopted this; he approved what we recommended, but I don't think anything happened there either. I don't know what Rudy says but I don't think there was any real accomplishment. [*U.S. Foreign*

¹ Rudolph A. Peterson, *A Career in International Banking with the Bank of America, 1936-1970, and the United Nations Development Program, 1971-1975*, Regional Oral History Office, University of California, Berkeley, 1994.

Assistance in the 1970s: A New Approach, Report to the President from the Task Force on International Development, March 4, 1970.]

Lage: So you don't put a lot of stock in these commissions, it seems.

Haas: Well, it was fun being on them, I must say. I enjoyed the experience and I enjoyed the people and I enjoyed learning.

Lage: At least it informs you.

Haas: I was very well informed, but I don't know really how effective they were.

Lage: If they really affect public policy. Well, that in itself is of interest, I think. For someone who's been involved in all this, it's important to know your take on it.

The Ford Foundation Board: Choosing a New President for the Foundation

Lage: Let's move to the Ford Foundation. We mentioned it in passing but not in any great depth.

Haas: The Ford Foundation was one of my great experiences [trustee, 1970-1982]. It's a magnificent organization. It had a superior series of trustees. Here's another one that Bob's on now and enjoying, I think. I learned probably as much from that as I did in any other outside activity because they're involved internationally, and they're involved domestically, in all of the country's problems.

It's so big and so diverse that it took me a couple of years to get a feel for what my role would be and what we were trying to do. I remember I felt that we were trying to do more than we had the capacity to do.

The president was McGeorge Bundy. Probably the most vocal and influential trustee was Bob McNamara. They had served in the Kennedy administration together, and they both had personal contacts all over the world with leaders in all these countries. They pretty much pushed the agenda. I think they tried to make it something of a junior state department.

Lage: They turned it in more of an international direction?

Haas: Well, yes, but more than that--they were dealing with macro subjects. Those get beyond my capacity to get my arms around. I

work more through, on the local level at least, more through neighborhood community groups rather than dealing with the big broad picture.

I remember Jim Ellis [James Reed Ellis, Seattle] was a trustee. He and I felt exactly the same way. Then there were others in between. The reason why I stress it somewhat was that during the course of my two terms, McGeorge Bundy's term expired [in 1979], and we had to select somebody to take his place. There was quite a diversity of opinion among the trustees whether it should be another academician or someone with a more practical background.

One of the joys of participation was some of the trips we took to international locations. When we went to India, I remember the airport in Calcutta is called the Dum Dum Airport. And the accommodations fit the name. A group of us on that trip started informally discussing who we would like to have as president. We favored Frank [Franklin A.] Thomas, who had headed up the Bedford Stuyvesant project [president and CEO, Bedford Stuyvesant Restoration Corporation, Brooklyn, 1967-1977]. It was very successful and very unique.

The other leading candidate was the president of a major university. He really didn't want the job, but we asked him to come and be interviewed, which he did on a very, very confidential basis. But the trustees of his university found out that he'd interviewed and felt he wasn't sincerely committed to his own university. That interview cost him his job.

Isn't that terrible? But at least we prevailed in the sense that Frank Thomas became the president. [Frank has recently announced his forthcoming retirement--WAH]

Lage: Because you saw him as having a more practical background?

Haas: Yes, he had a nuts and bolts approach, and it was a tremendous choice. The foundation has thrived. It has grown. It has invested in all kinds of things. It has huge investments and contributions. But they're using, I would say, more down-to-earth, practical approaches, rather than trying to set up institutions to study whatever.

Lage: Rather than the study group or commission approach that you don't see as having a real impact?

Haas: Yes, I've never been very supportive of that. So, in summary, that was, I think, a good contribution because I actually felt that Jim and I were able to, with others--

Lage: But you were sort of the leaders of this.

Haas: We were among the early ones to recognize that a different approach would be desirable.

Lage: Now, did this put you on the opposite side from your friend Bob McNamara?

Haas: Yes. It was very hard.

Lage: Did you have some good discussion?

Haas: Yes. Well, it's not very easy to have a good discussion with Bob because he pretty much overwhelms you. He's a very powerful thinker, and he studies these things and is very knowledgeable and articulate. He and Margy were good friends from college. They always stayed at the River Club when we met in New York. Evie and I would go down there the morning of the Ford meeting, and we'd play tennis against them. Then Bob and I would walk down to the Ford Foundation. That's when we really had some interesting discussions about Ford activities, and life, and whatever.

Lage: Now, is the main job of the trustees to think about policy directions, or do they have a kind of a fiduciary role, investments and--?

Haas: Well, there are investments, and there is an audit committee and an investment committee. But their job is primarily policy and direction.

Lage: Before we end today, I want to ask you about the National Urban League; you were a director.

Haas: Oh, that was just another one of many, many groups that--

Lage: You didn't have an active role?

Haas: No. I don't know if I went to more than a couple of meetings.

Launching the Season of Sharing, 1986

[Interview 9: November 30, 1994] ##

Lage: Last time we talked about public service on the national level. Today we're going to move to the local level. You wanted to start

with Season of Sharing, which isn't the first chronologically but it's timely right now, in this holiday season.¹

Haas: I think Season of Sharing is probably the most satisfactory of my undertakings in many ways because it clearly is a program that would really never have taken place if it hadn't been for Ira Hirschfield and myself. It truly would not have.

It started [in 1986]. For some time I'd been noticing the *New York Times* annual campaign around Christmas for the hundred neediest families. It appealed to me, and I wondered why it wasn't done in other communities. It's not done in too many cities in the country. I thought, why not do it here? I didn't know if it would get the support of the papers, but it couldn't be done without the support of a major paper. We thought we'd go after the [*San Francisco*] *Chronicle*, which has got the biggest circulation. If they didn't take it, we would try to get somebody else.

Anyway, I got an appointment with Dick Thieriot [*Chronicle* publisher], whom I knew. Ira and I went over and met with him and three or four members of his staff. I think he was being rather polite in seeing us because in all fairness, up to that point, the *Chronicle* had never really done much in the community. They weren't alone. I don't know any other paper that did.

I don't know how to describe that strange meeting because we told them what we had in mind and--

Lage: Did you bring along samples, *New York Times* samples?

Haas: I guess so. But basically, we wanted to convince them that they were in a unique position to do something really extraordinary for the community. They had no idea. Really, they were speaking almost a different language. We didn't have very high expectations. But after a long and interesting discussion, they said they'd think about it. A couple of days later, Dick called me and said they were going to do it. I was surprised and delighted.

Lage: That must have been gratifying.

Haas: They put somebody on it full time. But actually the first year, Ira virtually ran the campaign. He's such a perfectionist, and he's so good that even now after nine years, he tears his hair out when he sees a bum article or a sloppy presentation or whatever.

¹See Appendix F for further information on the Season of Sharing.

Lage: When you say he ran the campaign, did he pick the people to be featured?

Haas: Oh, no, no, no. The *Chronicle* staff did that. But he helped them in all kinds of ways, in organizing the effort inwardly, in the kind of stories they should have and how should they go about it. They get an accounting firm to donate services. They get a bank to donate its services in handling the money. It's really wonderful in lots of ways. It helps people in need. But the money goes directly to the people. There are practically no administrative costs.

Lage: The *Chronicle* covers some of those costs.

Haas: The *Chronicle* picks most of it up. Our foundation helps pay for some of it too. A charitable drive is very unusual if you don't have at least 10 to 15 percent of your overhead going to expenses. But with Season of Sharing everyone's contributions go directly to the people in need, and it's divided in the community by a formula that I think is worked out well. It's a very gratifying campaign. I don't know if you read the articles.

Lage: I do read them.

Haas: They're interesting, and it's tragic to see how people can get into such problems, into such trouble. And here we know this campaign is really being helpful. As I say, it's very gratifying because this would not have happened if it hadn't been for us.

Did I say that they raised \$2 million last year?

Lage: You didn't on the tape.

Haas: Well, they raised \$2 million last year starting from scratch. They raised a total of \$12 million since its inception. Last year over 7900 individuals and corporations made donations. Actually, although the campaign goes on at this time of year, the holiday season when people are emotionally susceptible, money is distributed all year round and some money comes in all year round.

Lage: Have you gotten feedback from the *Chronicle* people?

Haas: Oh, initially, there was such excitement among the staff because they saw an attitude of public service they'd never seen before. Most people like to be part of an organization that is community minded. So, that was very gratifying.

One year, I made a mistake and thought I could maybe give it a little impetus. So, I started writing to some friends urging them to send in a donation, even if it was only a hundred dollars. I

only wrote to people whom I thought could easily afford it. Well, now I think I write several hundred letters every year. I keep wanting to stop, but my wife won't let me because they claim it's very effective. I've low-keyed the letter now so it's just a reminder. But I give it my moral support, and Ira gives it a lot more than that. It has been a very rewarding experience.

Lage: It also seems to be a good consciousness raiser for the community because those articles really teach you about how people get in bad straits. There are a lot of stories where you can see the "There but for the grace of God go I" aspect.

Haas: Absolutely. I think that's enough on Season of Sharing except to say again that it's probably the jewel in the crown of my efforts.

Genesis of the Guardsmen, and Their Christmas Tree Sale

Haas: Another effort that I'm very happy with, and this goes way back, is the Guardsmen [founded May 1947].

Lage: Now tell me about the Guardsmen because that's a name that you hear about, usually in connection with Christmas trees, but I'm not sure what the organization is.

Haas: Well, most people aren't. It started more than forty years ago when half a dozen of us wanted to do something in the community and didn't think that Junior Chamber of Commerce was the right vehicle. The first thing we did--Ann Curtis was a potential candidate for the Olympic swimming team. She didn't have enough money to go East for the trials. So we modestly raised money for her to go to the trials. She went, and she won a gold medal. (As a matter of fact, I saw her at the Big Game this year. As another aside, most of my grandchildren have taken swimming lessons from her school.) And we found that we enjoyed working together.

Lage: Do you remember who these six people were?

Haas: Alex Henderson and Bill Binder and Albert Schwabacher and John Swain and Phil Westdahl and myself, and maybe one or two others. I'm not sure. It grew out of just a casual luncheon conversation. So, we thought, if we can do that, why what else does the city need? The *Chronicle* had a summer campership program that was struggling. So we decided we'd try to help raise money to send kids to summer camp.

Then one thing led to another, and we decided maybe by selling Christmas trees we could raise money. I remember the first year--

most of us had family that lived comfortably. So we went to our grandparents and uncles and aunts and took their orders for Christmas trees. We bought them downtown wholesale and sold them retail and usually got a drink because we delivered the tree. We didn't have a very big operation.

Then on my tenth wedding anniversary [in 1950], we were touring through South America, and I got to thinking about how we could really make something of this Christmas tree campaign. We were traveling on a boat through South America, and I started planning Christmas tree sales, in March.

Lage: Oh, this is funny. [laughter] Does this discourage Evie when you get so distracted?

Haas: Well, she's more distracted than I am, probably. She's very active. But it gave me something to think about on that trip. Naturally, I got made chairman of the first Christmas tree drive, and it was reasonably successful. Since then, it's become a major, major, major undertaking. You go out to Fort Mason, you'll see the Guardsmen Christmas tree lot. It's very well known. It's the best lot in San Francisco. They get the most trees and the best trees. I think they make \$20,000, \$30,000, even \$40,000 a year. In those days, we made a few hundred.

I have a favorite story from that experience. We were young, and I was the chairman so I felt I had to go out there every night. Evie didn't particularly like being left home, so she'd come out and handle the cash register. It was a particularly wet winter, and she kept getting a cold. She couldn't shake the cold. I kept urging her to stay home and take care of herself. But she didn't. She wanted to be part of it. Well, this persisted even after we closed the lot down. So, we had her tested for allergies, and of course she's allergic to Christmas trees.

Lage: Oh, no. That's ironic.

Haas: Yes, poor girl. That is the Guardsmen's main activity now, and it has gotten so big and so professional. And, most importantly, the membership is limited. You can't be over forty years old. When you're forty, you're automatically a senior Guardsmen and you're out.

Lage: So, the group became more regularized.

Haas: Yes, it kind of perpetuates itself. I think the biggest thing about the Guardsmen was not so much what we accomplished, and I think we did a pretty good job, but we made really lifetime friendships. We had board meetings and committee meetings and undertook various

other activities. But the fund raising was still the heart of our effort. We did some crazy things. We had automobile racing in Golden Gate Park. In those days, we had to pull strings with the mayor. It wouldn't be allowed today. But we were able to, and we just had a good time doing good.

Lage: And how does one become a member of the Guardsmen now, by invitation?

Haas: You have to be elected by invitation. You don't really put yourself forward, but you know others and if you show an interest--

Lage: So, there's another ongoing fund drive, and an organization, that you started.

Haas: Yes, and that's an ongoing organization that's doing very well.

Helping to Found the Hunters Point Boys' Club, 1960

Haas: Another one we helped start was the Hunters Point Boys' Club.

Lage: Now how did that happen?

Haas: Well, let me make sure I get this right. I was a member of the San Francisco Boys' Club, as were some of my contemporaries. I enjoyed working with youngsters and felt it was important.

Lage: So, you'd spent some time there? Or were you on the board of directors?

Haas: I was on the board. I get the feeling that the way to help society is to get people when they're young and shape their lives to some degree. We saw a great need to expand the activities into the Hunters Point area, which is a poor area, and the families living there were mostly minority, mostly black.

Lage: And this was early on, wasn't it, in the late fifties? [Hunters Point Boys' Club was founded June 13, 1960.]

Haas: Oh, yes. Oh, yes.

Lage: So, we're talking about responding to the changes in postwar San Francisco.

Haas: Exactly. It was very discouraging because the San Francisco Boys' Club thought of a million reasons why it couldn't open a branch

there. They were supported by the Community Chest, it was called in those days [now United Way]. They said they couldn't get the money to support it, and they didn't have the staff to support it. They had a variety of reasons but I think primarily it was that they didn't want a bunch of African-American kids in their club. So Bill Zellerbach and I decided we'd find out how you start a boys' club. We found out, and we started one at Hunters Point.

Lage: And how do you start a boys' club?

Haas: Well, you go to the national organization and get a charter. You prove that it's needed in the area. It was, and we--

Lage: So you just started independently.

Haas: We started completely independently, and we hired the assistant director from San Francisco Boys' Club, Tom Harris, and Tom went from there to Levi Strauss, eventually. He was a good, wonderful man.

Lage: He must have been chafing at the conservatism of the boys' club in San Francisco.

Haas: Well, I don't know. He was an assistant, and he was young. He was ambitious, and it was an opportunity. The club is still operating out there. It's a boys' and girls' club now, of course.

Lage: Is it still independent of San Francisco, do you know?

Haas: Oh, yes. The ironic thing, of course, is that the San Francisco Boys' and Girls' Club is probably 80 percent minority membership. Times change. Anyway, we were instrumental, and that was a good thing.

Lage: Well, those three accomplishments--the Season of Sharing, the Guardsmen, and the Hunters Point Boys' Club--all are important and lasting contributions.

National Park Foundation Board Member, 1990-1994

Lage: I wanted to look at your vita and be sure we haven't missed anything else that we should cover.

Haas: I don't think we have.

Lage: The National Park Foundation? Have you--

Haas: Oh, yes. The National Park Foundation was fascinating.

Lage: Tell me a little bit about what you did with the National Park Foundation.

Haas: I came on at just the right time [1990] because the board had been kind of dormant. It's a national organization to help raise money and educate the public about the absolute treasures we have in our national parks. Strangely enough--I don't know quite how it happened--but almost the majority of the board, or certainly the influential members, were from the Bay Area.

Lage: That's an interesting fact in itself.

Haas: Yes, it was. I had a lot of friends on the board when I went on. It was a great experience, selfishly, because we meet twice a year, each time in a different national park. So, we've been from anywhere from Mt. McKinley to the Everglades to Yosemite. Of course, when we go, the rangers treat us special. They surely do. They give us talks about the wildlife and the other features of the park that make it unusual. Then there's a lot of correspondence in between and phone discussions and committee meetings. And it's an interesting group of people.

Lage: Is Bill Lane one of them?

Haas: No, he's not.

Lage: I'm surprised.

Haas: He's been very supportive. He's given financially, but he's not a member. There's apparently a certain amount of politics in the appointment, which is disappointing because I don't think environmental appointments should be political. I had a hard time because people didn't believe I was Republican. I was appointed by George Bush, I guess, or whoever the secretary of interior was then. Of course, Evie loves it. She is always enthusiastic and interested in anything and everything.

Lage: Is the expectation that you will give money or help raise money?

Haas: Both. It's a very strange situation in a way because we--the Park Service is responsible for the operation of the parks. The Park Service's budget is quite inadequate. The infrastructure is decrepit and deteriorated. They haven't been able to maintain the parks. It would be simple enough to do it if you raise the entrance fees to the national parks fifty cents or a dollar. But the tricky part of that is that you can raise fees but the money doesn't go to the parks. It goes into the country's general fund.

Lage: That's right.

Haas: So, that's a dilemma that we're struggling with right now. The other thing is that the secretary of interior, Bruce Babbitt, has begged us to undertake a special program to improve the housing for park employees. Their housing is disgraceful. These wonderful, dedicated rangers and other employees live under the deplorable conditions, crowded, and woefully inadequate. They're just a breed of person that loves the outdoors and has been willing to put up with it. So, we were debating whether or not this was really a project for the foundation or is this--are we really making up for the--

Lage: For something the government should be doing.

Haas: A budget the government should be providing. Yes, exactly. So, that's where it is. And that's been a good association.

Lage: It doesn't seem like it's likely to get much better under the current conditions in Washington.

Haas: No, it certainly does not.

Lage: Now, the Presidio Council. That must be a recent one.

Haas: Yes. That was an advisory group formed when the Presidio was taken over, or--

Lage: Released, we could call it.

Haas: I guess so. Released from the military to the Park Service. I guess it was two or three years of an interim period where we had studies and committees and listened to the public and heard all kinds of ideas for the use of that magnificent space, some of them really pretty far out.

I don't know how helpful we were, really. We were trying to protect this glorious piece of property from developers and so forth and trying to find a way to make it economically viable, which is not easy and actually a little discouraging, because Nancy Pelosi had a bill before Congress to form a separate entity to manage the properties. The very last day, Bob Dole killed it.

The Republicans basically feel it costs too much to maintain it as a park. It costs more than Yosemite or Yellowstone or any of the others. I don't know what the alternative is going to be unless, perhaps, they sell off part of it or give some up to commercial development, which would be very sad.

Lage: Yes, it really would. Well, I hope they resolve that one. As you talk, sometimes you do sound more like a Democrat. [laughter]

Haas: Oh, I think I'm reasonably independent.

Lage: I've been looking at old *Chronicle* articles about you. One of them describes you as a liberal Democrat.

Haas: A liberal Democrat?

Lage: Yes.

Haas: Well, I'm certainly not very proud of what the Republicans are doing at the moment, but I'm not a Democrat.

Lage: Now, let's see. What else do we have to check from your vita? United Bay Area Crusade. You've been pretty involved in that, haven't you?

Haas: Not very. That's one of those things that's kind of expected.

The Evelyn and Walter Haas, Jr. Fund¹

Lage: I'd like to ask you about the Evelyn and Walter Haas, Jr. Fund. How did that come about?

Haas: Evie and I started the fund in 1953.

Lage: What motivated your creating the foundation?

Haas: I grew up watching the philanthropic involvement of my dad and my uncle, Dan Koshland. They were very charitable. We were taught to be thankful for our good fortune and to give back. In addition, I always seemed to have a consciousness about people who really struggled, with great challenges and adversity, while trying to live positive, productive and healthy lives. I still have a hard time accepting the tremendous number of people who are hungry, who can't get enough nutritious food to eat, even here in San Francisco.

Evie and I wanted our fund to help those in need, to try to make a difference in people's lives, and to help enrich the quality of life in the Bay Area. We care deeply about the San Francisco Bay

¹The following section was added by Mr. Haas during his review of the transcript.

Area. It has given us a lot of satisfaction to support the efforts of many fine institutions that make this area a great place in which to live, work, and raise our children and grandchildren.

Lage: You've been philanthropists for a long time. What's it been like having this fund?

Haas: The fund has enriched our lives immeasurably. It's been a way for us to learn about the many and ever changing critical needs in our community. It has allowed us to meet extraordinary leaders, courageous and talented unsung heroes of our community.

We've also been able to support many fine community institutions, like the San Francisco Museum of Modern Art, and UC Berkeley, institutions that enrich all of our lives.

And in the more recent years, we've really enjoyed working on our fund with our children. Bob, Betsy and Wally all serve as trustees with us. We learn a lot from their perspectives and life experiences. It's been wonderful for our family to do this together.

Lage: Wasn't your son, Wally, the executive director of the fund for several years?

Haas: Yes, back in the late seventies, Wally became the fund's first executive director. He did a tremendous job. Under Wally's leadership, we began to focus our philanthropy more than we had been, to define special interest areas to work in, where, hopefully, we could learn a lot and make a real difference. Over the last twenty years, we've continued having the fund have special focus areas for concentrated work. There's an interesting short paper on the history of the fund. I'll get that for you. [See Appendix G.]

Much of what our fund is involved in today has grown from this early work. We focused a lot on disadvantaged inner city communities and the people who lived within them, on community development, on helping older people to live independently within their homes and communities.

Today, we've continued our work in these areas and also have special grantmaking programs which strengthen the lives of children, youth, and families, reduce hunger and homelessness, and encourage volunteer service and philanthropy.

Lage: What's most important to you about the fund?

Haas: There is so much suffering, so many families and single people living under extremely difficult circumstances. It's most

gratifying to me when the fund, quietly, can help people help themselves. We've worked a lot with those who are hungry and homeless, young families who are very disadvantaged, and strengthening the low income neighborhoods and communities that are apart of the Bay Area. After I bought the A's, I learned a lot more about Oakland, and we have been making a lot of grants in the East Bay too.

We're not a fancy foundation. We don't try to take on the world. We like grants that help people directly, that are hands-on, that encourage people to have a voice and direct involvement in solving the problems that affect their lives and improve their communities. We like it when our fund encourages people to use their skills and strengths to help themselves. We also believe that the fund should demonstrate leadership and compassion.

We are challenged by working on community problems often ignored by others. And we are always interested in discovering and supporting new ideas and innovations in the areas we commit ourselves to. Where appropriate, we try to have an entrepreneurial spirit in our grantmaking. We've been pretty good at leveraging our resources, and we like working together with other philanthropies.

Lage: In the fund's annual report, I noticed your interest in volunteering and encouraging others to give back to the community. Why that focus? Where do those interests come from?

Haas: You know from our earlier discussion of the CITs and from my own volunteer activities what pleasure and good experiences I have had in volunteering. Evie and I both have grown and derived great pleasure from our volunteer work. However, it's never felt like work to me. We like to encourage that participation by others. That's what helps make a community strong and vital.

And there is such a need for more philanthropy. Over the years, I have known a great many people who have been in a position to give generously but instead give very little. When the fund can stimulate increased philanthropy, that's a worthy investment. Plus we know that the more people get involved, the more charitable they become.

Lage: Your fund has become quite large, hasn't it?

Haas: Yes, it's amazing to me. We began with a little fund. Now, over the years, we've given over \$40 million dollars in charitable gifts, and our assets are over \$250 million. We give away about \$10 million a year now. I just can't get over it.

It's a big responsibility to use these funds responsibly and effectively. We really want them to make a difference. And some day, it is our hope that our children and their succeeding generations will find philanthropy as rewarding as Evie and I have. We hope they'll continue to support our values and interest, while also being sensitive to the changing conditions and problems of society. We don't want the fund to become a burden to them. We hope they can find areas of special interest, and which really make a difference in the lives of people in need. Creating and having our fund has been a source of great pleasure and satisfaction.

X THE UC BERKELEY CONNECTION: ONGOING SUPPORT FOR THE UNIVERSITY

Supporting the Athletic Program

Lage: I think, then, that we've covered your most important public service. But you know what we haven't really done is the UC Berkeley connection. I know we've discussed your time there as a student, but I'd like a little bit about your activities and your support as an alumnus. I think I mentioned to you that Pete Newell [Cal basketball coach, 1954-1960, and athletic director, 1960-1968; oral history in process] said to me you were the epitome of what a good Cal alumnus should be.

Haas: Because I go to the basketball games. [laughter]

Lage: No. Well, maybe that was part of it.

Haas: I've maintained a relationship with the administration through the years as it changed, and because the family has been very generous we've had opportunities to get involved in a lot of different areas. My brother is heading up the billion-dollar fund-raising capital campaign right now.

Lage: That's a big one.

Haas: That's a huge one. I've served on the alumni council but not actively [1952-1955]. My interest continues to be maintained primarily through intercollegiate athletics.

Lage: I know you've helped raise money for the athletic program.

Haas: Yes. Roger Heyns and I headed up a campaign in the eighties to improve the athletic facilities. I guess that's the only time I've really been involved in major fund raising for the university. I just have a great deal of loyalty to the university. I really made

friends when I was an undergraduate and then retained those friendships through the years.

Lage: Do you get an opportunity to meet the coaches? I mean, it seemed as if you and Pete Newell got to know one another.

Haas: Well, I just got a letter from Todd Bozeman asking me to be an honorary coach for a game. It's part of their development effort, of course. "The honorary coach will be invited to attend practice the day before the game, meet the players, attend the pre-game meal on game day, be introduced before the game, and attend the pre-game, half-time, and post-game team meetings in our team room."

Lage: That sounds like fun.

Haas: It is. I did it once before. I'm undefeated. It was for the Stanford game, at Stanford. I remember we were heavily favored, and Lou Campanelli was the coach. We were behind at half time, and I've never heard such language in my life.

Lage: You mean from Lou.

Haas: From Lou. Maybe I shouldn't mention it.

Lage: No, I think this is quite pertinent, considering that Campanelli was dismissed for just this sort of thing.

Haas: Yes, he was accused of being rough on his players, and that was part of his problem. I couldn't believe the way he was berating them and swearing at them. I didn't think that would motivate players. That was his style, and he won a lot of games and brought Cal back nationally as a force.

We had a whole gang that went down for the game, and they got seats up in the rafters. We eventually won the game, and afterwards, we went out to dinner and had a wonderful time. Meanwhile, I was watching the game from the very end of the bench, trying to see over the knees of a seven-foot player. I didn't see the game, and I was right down on the floor.

It's fun, and I'm going to do it again. [I'm no longer an undefeated coach. I accepted--and we lost! --WAH]

Lage: Oh, I think you should do it. I think it sounds like great fun.

Haas: Yes, I will. Yes, those are the kind of things that keep you interested, you know.

Lage: And you can compare Bozeman's style to Campanelli's.

Haas: Oh, it's quite different. I know that.

A Hands-Off Attitude

Lage: Now, do you get involved during times of controversy, like when Campanelli was fired?

Haas: No, I try to stay out of that.

Lage: That's why Pete probably thinks you're a good alumnus.

Haas: Well, I am called by a lot of people because I do, obviously, know personally most of those involved in the administration and others. But I think all they don't need is some alumnus without full knowledge of the situation poking his--getting involved. There are many times when I've had my own view of coaches' abilities, but I have no expertise in their area. Sometimes the chancellor invites you over for breakfast to talk about a situation. I'm glad to kind of be in on the inside.

Lage: When you're asked to be, it sounds like.

Haas: When you're asked, yes.

Lage: Well, that's what Pete was talking about, I'm sure, because I think he--all of the coaches--experienced the opposite with some other alumni.

Haas: Yes, it's very easy because people think they are experts, and they get emotionally distressed. It's just crazy. Here, we won this year's Big Game by one point, playing very badly. But that one point makes all the difference in the world. Stanford's coach [Bill Walsh] resigned; he might have resigned otherwise, I don't know. But he did. One point. But it's just as important to me as anybody else at the time.

Friendship with Roger Heyns

Lage: Now, you go to games with Roger Heyns.

Haas: Football games, we do, yes.

Lage: It sounds like you're really quite good friends.

Haas: The odd couple, yes.

Lage: How did your friendship develop with him?

Haas: A friend of mine, Vernon Goodin, got a letter from Bob McNamara, our classmate, who said that two friends of his from Michigan were coming out to serve in the administration of the university. One was Charlie Hitch, who was going to be president of the university. The other was Roger Heyns, who was going to be chancellor.¹ Would Vernon please introduce them to some of his friends? So, Vernon and Marion had a small cocktail party where we met the Hitches and the Heynses, and we hit it off with both of them very well, but somehow or other the chemistry with the Heynses was most unusual. So, soon Evie and I gave a little gathering for the four of them to get introduced into the community. This was right during the Free Speech Movement.

Lage: Or just the aftermath of that and the ensuing turmoil.

Haas: Roger was taking a terrible beating in the press. I was a little presumptuous because I didn't know how busy he was or what his interests were. We have this wonderful cabin up in Oregon in a remote area. He was taking such a bombasting from the press and from the students, so I thought it would be doing him a favor to relieve the pressure for a few days. Wouldn't it be great if he could just get away for two or three days and not see a newspaper and be in this beautiful wilderness area? So, we took a chance and invited them up. They accepted. We had a weekend of just cooking our own meals and taking hikes and getting close to nature. It just started that way. In all fairness, I don't think Roger cares that much about the athletic program anymore, but we go to all the football games together, and it's kind of a nice habit to be in, and we enjoy going together.

Lage: Well, that's great. So, you were able to give some support during that time when Heyns and the university were facing a lot of criticism.

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Haas: Yes, I'd say to Roger, "Well, how is it going?" He said, "Well, the alumni say they're behind me, and they are. They're way behind."
[laughter]

¹ Roger W. Heyns, *Berkeley Chancellor, 1965-1971: The University in a Turbulent Society*, Regional Oral History Office, University of California, Berkeley, 1986.

Lage: Yes, he had a lot of educating to do.

Haas: Yes, he was a hero, I think, in his quiet way. He kept communications open between some groups that got pretty excitable, and he doesn't get the full credit for a lot of things that happened afterwards that were, in my opinion, the result of his calmness and maturity in dealing with these issues.

Lage: And then he had the faculty to deal with, too, especially since he came from outside the university.

Haas: Oh, yes. Then he had a minor heart attack. I remember going to see him, and I brought him a dart board with the pictures of all the Regents on it.

Lage: [laughter] That's wonderful.

Haas: And a *Playboy* magazine which he couldn't show to his wife. [laughter] So those things just kind of develop, and we're good friends.

Lage: That's really nice. I think it's interesting, you know, to see what role you took during that turbulent time as an important Cal alumnus.

Haas: I was offended and angry and upset.

Lage: Did you ever make any contact with Regents?

Haas: No.

Lage: Did you have friends on the Regents?

Haas: Oh, yes. I had a lot of friends I knew on the Regents. No, it's not my style to butt in when I don't have all the facts.

The Berkeley Medal, 1991

Lage: Well, that's what we're trying to get an idea of here. Now, you've won many awards from the university, and they will all be noted here. I would think the Berkeley Medal might have been especially gratifying.

Haas: Very exciting and a complete surprise.

Lage: That was in 1991. That's really the highest honor that's given by the campus.

Haas: Yes, it is. I guess they don't give honorary degrees anymore because some people object to them. But I'm told that this is kind of a replacement for it. What more can you ask than that? I was very thrilled.

The Haas School of Business

Lage: Now, what about the business school connection? I mean, aside from the fact that your father's name has been given to it--the Walter A. Haas School of Business.

Haas: Well, I'm getting a lot of credit for the business school, and I don't deserve it. The idea of building a new home for the business school, which was spread between several buildings, came from Gene Trefethen and [Earl] Budd Cheit. They were the ones who first presented the idea of naming it after Dad. Dad had made a small contribution to an employment center, I believe, some time before, so they were aware of his interest. It was a natural partnership, because Dad was recognized as a leading progressive businessman, and he had many ties with and an affection for the university.

They spoke primarily to Peter and myself, and convinced us of the need. We then spoke with Rhoda. The Walter and Elise Haas Fund provided the bulk of the funding, my brother and I gave substantial amounts, and my sister also generously participated. The official opening ceremonies are scheduled in two months, and the project is now fully funded after struggling for the last \$9 million for some time. Credit for this final spurt should be given to Budd Cheit.

It's very nice. It's being finished, and it looks magnificent. I think it's a little too big for that site, but everybody says to me, "When it's landscaped it'll be fine." But the important thing is that it's a wonderful school which has never received the national recognition it needs because it's been located in several different areas on the campus.

It is our hope that this new building will bring the school the national ranking we think it deserves. We expect it will teach the need for ethical behavior and excellence in business practice. It's something to be proud of.

Lage: You mentioned the building, and I know that was very controversial on campus and in the community when they tore down Cowell Hospital

and decided to build the business school on its site. Is that something that you got pressure about?

Haas: Yes, yes. It bothered me a lot because people would write, and you get the impression that many were looking for a cause and would get involved in any campaign against the administration or existing authority. We kept very well informed as to who was objecting and why and were asked to intercede with the university. In all fairness, it wasn't our decision to build the school, to design the school, or to put it where it is. That was done by people who are close to the situation and are supported by the chancellor. So, we basically did not get involved.

Lage: You didn't put your two cents worth in about location.

Haas: No. Again, it's just typical of other things we've talked about. They're the ones that know all the ramifications. It was distressing; obviously, you are trying to do something and be generous and give something that the university feels is of great need, and then you have bad publicity and seem to be unappreciated. That's a good way to kill philanthropy, or generosity.

Lage: It is, isn't it. [laughter] Well, it seems to have subsided by now. People need time to get used to new things.

Haas: I think so. I think it has.

Lage: Another question, a more frivolous one. How does the family feel about seeing its name all over on Haas business school t-shirts and sweatshirts?

Haas: No problem. Actually, my ten-year-old grandson, who is named Walter, made one of these t-shirts a major request from Santa Claus this past Christmas.

Lage: Have you gotten to know Chancellor Tien?

Haas: Yes. I was going to say, almost to the degree you can know him. He doesn't sit still long enough for someone to get to know him. I think he's doing a fantastic job. Everybody, whether it's the basketball coach, or a professor, or a student, seems to think that he is a tremendous asset to the university.

Lage: Maybe it's good he doesn't sit still.

Haas: He doesn't sit still. He has an incredible amount of energy. He's involved in every facet of the university. Nothing is too small for his personal attention. I'm amazed how the man can do it.

Lage: And he relates to students, too.

Haas: Relates to students. That's very important. He'll fly back from the Orient, have two hours sleep, and be out there giving the football team a pep talk. And he cares. He's down on the sideline. This year at the Big Game, he had the Stanford president as his guest. Of course, the poor Stanford president isn't very well known compared to Bill Walsh on their campus. Chancellor Tien went down on the field to talk to the team, which he does, and somebody asked Gerhard [Casper] why he didn't go down. He said, "Oh, I couldn't do that." [laughter] Tien went down and cheered them on.

Football and Golf: All in Good Fun

Lage: Yes, that's wonderful. Is there anything else you want to remark on about the university connection?

Haas: Just a couple of stories I'd like to tell.

Lage: Please do.

Haas: Two of the most famous football players in Cal history were Roy Riegals [All-American center, 1929] and Benny Lom, with Roy being known as "Wrong Way Riegals".

It happened in a Rose Bowl in 1929 when someone blocked a kick and Roy picked up the fumbled ball and in his confusion got turned around. In those days one could run with a fumble. He started running towards his own goal line with Benny in hot pursuit in front of 90,000 people and the national [radio] audience, but finally just before the goal line Ben caught Roy and turned him around. Before he could run upfield he was tackled on about the three- or four-yard line. Roy was the center, and unfortunately on the next play a kick was blocked and in the end Cal lost the game 8 to 7; the blocked kick turned out to be decisive.

The Big C had an annual golf tournament, and I had a regular foursome which included Ben and Roy as well as George Wolfman, who was the baseball coach. We would play at the Claremont Country Club, and someone would go down before lunch to register the players and the sport in which they won their letter so at the end some prizes could be given out for various sports, etc. When I registered our group I mentioned Roy Riegals and Ben Lom, and the young Big C man taking down their names was puzzled. He had never heard of them. This was hard for me to believe, but I guess we

finally came to grips with the fact that time was passing by and new heroes were becoming known.

In another tournament I happened to be playing golf with the dean of students, a highly regarded ex-football player who was taking the place of George Wolfman, who was unable to join us that day. I was playing above my head and came to the eighteenth hole only needing a par 5 to shoot a 73, which would have been a record for me and would have won the tournament easily.

This is a long hole with a creek almost going the length of it down the left side. Trying to play it safe I pushed my drive to the right, but unfortunately it landed under a tree where I couldn't get a decent swing. We were well separated from the other two fellows in our foursome, and my playing partner said, "Go ahead and kick it a couple of feet so you can have a swing, and nobody will ever know the difference." I was surprised that a man in his position would suggest something like that but couldn't bring myself to do it. I ended up with an 8 on the hole, and any chances for glory evaporated. It was an exciting time and an interesting experience.

Lage: I can see that your connections with Cal sports have been important to you over the years.

Haas: Yes. My enthusiasm for Cal sports has brought me a lot of pleasure. For example, I have had a large number of standing bets on the Big Game at even money with my Stanford friends that go back many years. When Pappy Waldorf was coaching, he had inordinate success in the Big Game, winning eight and tying one in ten years, I believe. In order to needle my friends on the Farm, I decided to take advantage of this unusual opportunity.

I formed a fictitious organization, the "W. A. Haas, Jr. Football Foundation" and had stationery printed. The heading, in Victorian script, was "W. A. Haas, Jr. Football Foundation" and was printed in the form of a receipt. The date was blank and the name was blank but the printed message was that, "Your annual contribution has been received and is gratefully acknowledged." The name and date were then filled in, but the implication that this annual payment was a foregone conclusion had the desired effect.

Since then, of course, the tide has turned, and I've paid off at least as often as they have, especially in recent years. Some of them have joined the spirit and have made me a member of Stanford's Buck of the Month Club with their winnings. This year, in one of the worst games I can remember, Cal won by a single point, but that single point is huge when it includes bragging rights for 364 more days. It's all harmless and all in good fun.

XI RECREATION AND RELAXATION

Fishing and the Outdoors¹

Lage: You've mentioned fishing trips and your ranches in Oregon and Montana. Tell me more about your outdoor life.

Haas: Fishing and the outdoors have been a very important part of my life. As I have told you, it started when Dad took my brother and myself on pack trips into the Sierras. Strangely enough I got bitten by the bug but Peter was not at that time. I learned to fly fish under Prince Helfrich's tutelage and became reasonably efficient in outdoor camping as the years went by. Prince was a young man far ahead of his time. He paid his way through college by trapping and selling cascara bark. He was a true conservationist, operated one of the first tree farms, and testified before Congress on environmental issues. I was fascinated by his outdoor adventures.

What kind of a vacation can a family have when the oldest child is eight years older than the youngest? We ended up with skiing and camping trips into the Rocky Mountain area or the Sierras and that seemed to be the proper solution. Each child would bring a friend and we had some marvelous family vacations. I have always regretted that none of my children really got involved enough to take the initiative to continue to take such vacations with their families, but they do enjoy the ranches and the outdoors and certainly we all had some good times together.

I think my fishing experiences can be divided into four general areas: steelhead on the Rogue River, fishing on the Boulder River

¹The following section was added by Mr. Haas during his review of the draft transcript.

which goes through our ranch in Montana, fishing for cutthroat trout at Silver Tip Lodge, and many marvelous experiences in Alaska.

The Rogue River used to be one of the most famous fishing streams in the world. The steelhead were plentiful and Zane Grey enjoyed this kind of fishing and publicized it in his writings. When we first started fishing the Rogue we would take a four-day trip with guides down the river either camping out or staying at the lodges along the way. It is a beautiful part of southern Oregon as the Rogue Canyon cuts through the lower part of the Cascade Mountains. Fishing was extraordinary and although the Rogue River steelhead are generally smaller than steelhead in other rivers, they were reasonably plentiful during the early years. Subsequently, because of being over-fished and probably because of netting at the mouth of the river and other fish-killing devices in the ocean, the catches deteriorated beyond belief. Actually, two of the last three years I never even got a strike in several days of fishing.

But we enjoyed our trips down the river so much that I bought Zane Grey's old mining claim in 1953. Bob Ingram, a friend, called me one day and told me he knew I always liked the Rogue and there was a piece of property available. I said that I had no interest in buying a fishing lodge but I asked where it was. He indicated that it was down near the mouth of the river. I said offhandedly if I were going to buy, the only piece of property I would be interested in was Zane Grey's because we had camped out there on numerous occasions, but I knew that that was not for sale.

Well, a couple of months later Bob called and said, "Do you still want it?" I had no idea what he was talking about. He said the Zane Grey property had become available. I said that I was going to New York the next morning and would let him know in a couple of weeks when I came back. He said that there was no chance that they would hold it for us so I had to make up my mind that day. I tried to get in touch with Evie but I couldn't locate her. Then I seemed to be weakening because I said, well, I might be interested if they had water, because I knew that the river water was undrinkable. He called back and said that the sellers indicated that Zane Grey found water so I had to find water!

Well, I finally took the plunge and said, "Go ahead and buy it." Believe me, that night I gave Evie a very strong drink and told her what a foolish thing I had done. She was angry and said, "You can take your friends up there all you want, but don't expect me to get involved in any way." Well, over the years we camped out there and she became increasingly interested. We built a one-room cabin which she furnished and, of course, it is now one of her favorite fishing spots.

I use it more for R&R than for fishing. For three years in a row after participating in the World Series, where I survived mostly on coffee, sleeping pills, and booze, I would call someone like Kirk Smith and we would go up for three or four days to unwind and recharge the batteries. We have had some great times at Winkle Bar.

My second area is our ranch in Montana which we named Beaver Meadows. It's on the Boulder River and we got it under fortunate circumstances.

Because of Evie's authorship I got a letter from someone in New York indicating that there was a dude ranch in financial difficulty. The writer was trying to get a group of twenty fishermen together to build a lodge and pay cash for the fishing rights in the summertime. The dude ranch would use the cash flow to stay afloat. I indicated some interest but heard nothing further.

A couple of years later, we were traveling in Montana at Mose Teller's, and Evie suggested that we take a look at this fishing lodge that I had heard about a couple of years back. We flew our plane to Livingston and there we were met by John Bailey, who is a native of the area, a superb fisherman who runs a very well-known tackle shop. He indicated that the dude ranch was a disaster and the cattle ranch was an economic bust but that the Boulder was one of the best free-flowing small fishing streams in the state of Montana. We drove over on the West Boulder Road and fell in love with the place. It is a magnificently beautiful piece of property that is at the end of the Boulder Valley and is just gorgeous big sky country.

Roy did an outstanding job of negotiating, and we ended up with the valley portion of the ranch which included the river. Subsequently, we acquired more property around this area to protect ourselves from potentially undesirable neighbors.

Now it is ideal, and Evie and I spend five to six weeks during July and August up there. Betsy's and Wally's families truly enjoy it and join us for as much time as they can, which I hope will increase as time goes by. Actually, it is more of a family recreation area than a fishing headquarters, but the fishing for rainbows and German brown is very good if you have some experience as a fisherman. We have installed a couple of ponds which we stock so that the kids and inexperienced guests can catch trout to eat or take home.

Not far from our ranch is Silver Tip Lodge, a private lodge owned by a consortium from New York. We ran into it unexpectedly when we were hiking with classmates from the abandoned mining town of Independence into Yellowstone Park. It was a great camping

experience, but on the last day we saw this magnificent lodge and inquired if it was open to the public. It was not, but we subsequently got to know Ralph Davidson, who is a part owner, and he had a group he formed which takes over the accommodations for one week each year.

It is a huge, old-fashioned, log building with comfortable accommodations and magnificent service. The interior has chintz-covered furniture and animal heads (purchased from Abercrombie & Fitch!). We are fortunate to have the connection with Ralph because this area probably has the greatest cutthroat fishing in the world.

We fish Slough Creek, and we are high enough from the valley of Yellowstone Park so that there are very few fishermen in the area. The cutthroat run from fourteen to nineteen inches and are beautiful and gamey fish, although nothing has quite the spunk of a rainbow.

We built up quite a tradition of friends and look forward to our week at Silver Tip every year.

And finally, Alaska. Evie and I have fished in many parts of the world and throughout the Rocky Mountains and Canada, but without question, the greatest fishing we have ever encountered is in Alaska. I had been there a number of times, staying at different lodges and with either Dad or a group of friends, but we finally found Enchanted Lake Lodge, which had been built by Ed Seiler. At that time it could only accommodate four guests, but the fishing was magnificent. One would get up very early in the morning, put on his fishing gear, and fly out to some stream. We would fish all day, have a sandwich lunch, and then return home to the warmth and hospitality of the lodge.

It was finally sold to Dick Matthews, who ran it with his sons and enlarged it to take care of sixteen guests. The secret to Alaska fishing is the guide, and Dick hired two of the best in the business. Believe it or not, there is one stream where the smallest trout will be a five-pound rainbow, and until we went to Alaska I had never caught a freshwater game fish that large. One day I caught a number, including two ten-pounders and one twelve-pounder, and even as I write this it is hard to believe. The last year I fished in Alaska happened to be the best, and we had superb fishing every day. In fact, one day I got too tired to fish because I had been fighting these huge trout almost all day long. I would stop and rest but then realize that I would never have fishing like this again in any other place, so I'd get up and almost wish I wouldn't get a bite. Year in and year out, Evie is Queen of Alaska. She fishes hard, in all kinds of weather, and very often is high rod.

The lodge people are extremely friendly and hospitable, and it's just a wonderful experience.¹

San Francisco Clubs: Relaxing, Subtle Networking, and Thoughts on Restrictive Membership

Lage: This would be a good time to talk about social clubs. On your vita here there are five of them.

Haas: Well, I'm overclubbed.

Lage: You're overclubbed? [laughter]

Haas: Oh, yes.

Lage: I'm interested in them individually but also in what role they play in your life and work.

Haas: Well, they play an important role, at least in my generation, because they're a great place to have lunch and relax and play dominoes or bridge or read or whatever, during noontime, mostly. I enjoy them. The history of these clubs is that their membership is restricted both ethnically and religiously and--

Lage: Genderly.

Haas: Genderly. I was looking for the right word.

Lage: I think we made a new word there.

Haas: There's no question it helps to be a member of a club.

Lage: It helps in business?

Haas: I think it does. I don't want to jump ahead, and I know this is an unpopular thing for me to say to you, but I think there is a place for a restricted membership social club if it's purely social. I don't see any reason why a group of men or women or Hottentots couldn't get together and say we'll have a club just for people that we're comfortable with. Nothing wrong with that. Where it gets tricky is when the business comes in. And there's no question-- although you're not supposed to conduct business and you're not supposed to take someone as a guest on an expense account--that the

¹End of inserted section.

contacts you make are important. I belong to these clubs and the fact that I'm on a first-name basis with the president of the Bank of America or Standard Oil or whatever gives me an edge over you.

Lage: And it is through the clubs that you got on the first-name basis?

Haas: That's the way you do it. You have lunch, and you just sit at a big round table and after a few years, you forget the positions. So, to that degree, I don't know the answer to the issue of restricting membership because it's not completely equal. I don't want to argue this one.

Lage: Now, I didn't come here to argue with you.

Haas: No, I don't want to even give my views in too much detail, but my understanding is that in most of the clubs that have admitted women very few attend, and they haven't solved their economic problems.

Lage: Has it been in the clubs that you met people like Rudolph Peterson, or some of the executives you asked to serve with the National Alliance of Businessmen? Would you have examples of contacts that might have affected your business or public-service life?

Haas: Membership in these clubs is kind of like the old-boy network. Other members know each other and know me, and it's quite possible that appointments result from discussions that do not seem to be related at the time.

The Family

Haas: The first club I joined was the Family, where my father was a member.

Lage: Now, what is the Family?

Haas: That's an offshoot of the Bohemian Club. It's very similar, but much smaller. It has a redwood grove down in the Portola Valley, just as the Bohemian Club has its big grove near Monte Rio. It's devoted to friendship and entertainment, as is the Bohemian Club.

Lage: So, it's very much modeled on the Bohemian Club.

Haas: It's exactly the same. It happened, I think, after World War I, when some of the Bohemian members--I don't remember exactly how it happened--made some disparaging remarks about Hearst papers and their purported yellow journalism, and there was a big furor and so

this group split off. I really should--since I don't use it that much--get out. But Dad was a member, and it was my first club, and I feel a loyalty.

Lage: Did you use it more at one time?

Haas: I used it a lot. I used it a great deal.

Lage: Did you go to the camp?

Haas: Yes, I did all that.

Lage: Is there some reason why you have become less active in the Family?

Haas: Well, I use the other clubs more. That's all. I can't be in more than one place. I'm not talking about the golf club, Lake Merced Golf Club and now more recently, I joined Menlo Country Club. That doesn't make any sense at my age except I know more people there, and it's closer to my home, and it's easier to get a golf game and everything. I play with fellows there that I enjoy a lot. At the other clubs, they have died off, or are too infirm to play any more.

The Bohemian Club

Haas: But anyhow, I guess the next big one was the Bohemian Club. That's a remarkable club, in the sense that in this day and age of tough economics, the waiting list for an individual is about twenty years or more. Many fathers urge their sons to put their names in even though they have no interest in the club because twenty years from now they might. That happened with Bob. I don't think Bob is a club type. But I urged him to do it, and he put his name in. All of the sudden it came up, and I think he's enjoying it more than I expected. But he's not a club type; none of my children care about clubs.

These clubs are kind of like the dinosaur. They're about ready to be extinct. They can't make it economically if they continue on a discriminating basis.

Lage: Do you think the younger generation objects to the discrimination more or they're just--?

Haas: No, I think their lifestyle is different. I think they have lunch at their desk, or they're working out; they're not going out and spending two hours playing dominoes. The people who want to keep the club where it is are the old goats, my friends and me.

So, I had the Bohemian Club. There is kind of an interesting story to how I joined the Bohemian Club [in June 1972], because there's such a long waiting list. My friend Charlie Bulloti was president and asked if I'd like to be a guest at one of the weekends in the Bohemian Grove, which normally is closed to residents of the Bay Area. I think people all over the world look forward to that when they have the opportunity. I had never thought about it. I had a wonderful time. Charlie knew everybody, and we'd go to the shows, and then after the shows we'd wander around different camps and get to bed at two or three in the morning. He knew where everything was happening. Everywhere we went I seemed to know people, which was surprising to him and to me.

When it was all over, he said, "Why don't you join the club?" I said, "Charlie, I can't wait twenty years." It hadn't occurred to me in my thinking, and he said, "Well, maybe we can get you preferential treatment." Well, it seemed like a good idea, and they did and I did.

Lage: Now, you broke some barriers, there, too, didn't you? Hadn't they had a restricted membership?

Haas: Well, the Bohemian Club initially didn't have that many barriers. Then they developed, not as much as at other clubs. But there were some there.

The Pacific Union Club

Haas: But the big one was the PU, Pacific Union Club, which did not have any Jewish members, and approached three of us, which I think was a sensitive thing to do because it's not easy to be the only representative. The three of us talked about it, and we joined [1974], and I'm glad we did because they promised that they'd open up the membership, which they have done.

Lage: Did they have a long waiting list, too?

Haas: No.

Lage: It's not as hard to open up the membership, then.

Haas: It's very strange because it's considered, in the pecking order, as the club that you wanted to belong to in the Bay Area. But no, it's not that hard to get into.

Lage: Now, who are the three Jewish people that they invited?

- Haas: Dick Guggenheim, Warren Berl, and myself. Dick died. Warren's up there and is a member still.
- Lage: And you became president of the Pacific Union Club [1988-1989].
- Haas: Yes, I did, which is kind of a landmark. I didn't think I could refuse when they asked me. I'm glad I did. I enjoy the club.
- Lage: Did you encounter any insensitivity or prejudice?
- Haas: No, I didn't. Or maybe I was an ostrich. No, what happens is that, if they want you to be an officer, first you're elected to the board of directors. After the first year, if you're asked to stay on, you've got to be suspicious. Then the next year, you're asked if you want to be secretary or some other officer. Well, that really means you're on the escalator and automatically going to move up a step. At that time I recognized what was involved and spoke to a couple of the previous presidents and other officers I knew, and they claimed they had researched it pretty carefully. I've never encountered anything unpleasant or unexpected.
- Lage: I would hope not. You never know. I mean, you don't know why these restrictions have ever existed.
- Haas: I know. It doesn't make any sense, and less and less as we go on. But anyway, so I enjoyed that and I--
- Lage: Do these clubs still have any restrictions against racial minorities, blacks or Asians? Or do they have minority members?
- Haas: They don't have written restrictions, but in effect they do not have open memberships.
- Lage: Well, it does make you wonder if they're going to be part of the dust bin of history.
- Haas: Exactly. And they should be.
- Lage: In the Bohemian Club, they have that saying, "Spiders weave not here." Do they stick to that pretty well?
- Haas: I think they do. I think they consciously do, but you're not going to get 2,000 guys not talking about some business thing over a big weekend. Consciously, they don't allow business entertaining. You can't do a business lunch. You can't be paid expenses if you take a potential customer. There's nothing very obvious, but sure. There have to be meetings and deals occasionally. There's probably a lot more that goes on, I think, than I realize. But I don't see anything going on.

The Bohemian Club Encampment

Lage: Now, I'm going to ask this question as a real outsider, because I certainly am. But when you read about the Bohemian encampment, it sounds so silly. The mental picture of all these people . . .

Haas: It is. Well, that's a very intelligent question, because when you're first up there, you're really excited having a beer with the likes of Henry Kissinger, and other national leaders. Then you go to your camp, and you have the lunches and then have this entertainment.

Lage: Which is put on by the members themselves.

Haas: By the members. Some of it's very good, and some of it's just amateurish. It gets to the point where the initial excitement wears off, and you go for the fun of being with your campmates and hearing some of the talks that are given. They have some very interesting talks by people from government or internationally known leaders. So, the contacts and the discussions are really interesting and worthwhile.

Lage: But the theatrical productions are--

Haas: They're major events and to some people they are terribly, terribly important. I shouldn't be so cynical, because I've not been a good member. I haven't carried a spear, and I haven't been a member that long, really, compared to most of my contemporaries, because I came in late.

Lage: It's quite a mix of activities from having world leaders to amateur theatricals.

Haas: Oh, it is. It is. Some of the shows are simply marvelous. I don't know who the current TV stars are but they'll get up there and have some of the biggest names in television.

Lage: Oh, they will?

Haas: Oh, yes, a variety show and wonderful music and singing.

Lage: I didn't realize that they got some pros in.

Haas: Oh, they're all pros; most of the entertainment is by pros. They have a variety show on a Friday night, I think, and it's really all pros.

Lage: Is there anything else about the clubs that you have to comment on?

Haas: No, I don't think so.

XII OWNING AND ENJOYING THE OAKLAND A'S, 1980-1995

[Interview 10: December 8, 1994] ##

Buying a Sports Team, for Family and Community

Lage: Today, we are going to talk about the Oakland A's. And, of course, we are doing this in the context of the negotiations going on now to sell the team.

Haas: Yes. It's kind of an emotional roller coaster. I suppose I should start with--a lot of people wonder why a conservative, predictable, staid businessman would be foolish enough to buy a baseball team.

Lage: That was my first question.

Haas: I would think so. I've had it asked many times. As a matter of fact, for my fiftieth reunion at Harvard Business School I was asked to give the talk to my fellow classmates. I was rather flattered because it was a distinguished class and I was chosen from among a large group of successful executives to make the address. But the reason they asked me, probably, was that at our stage in life, you were either retired fully, or you were still working, or you had taken on something new and different. Nobody had ever bought a baseball team. They asked me to say why I was so wise or so foolish as to buy a baseball team. I used that as the title of my talk.

But really, one day, I guess sixteen years ago, Cornell Maier and Gene Trefethen, who were executives of Kaiser in Oakland, asked to see me. They said that the team was going to be moved by Charlie Finley to Denver, and they were trying to keep it in Oakland. Finley had agreed, if they found a decent ownership group. So they were trying to put together twenty partners to keep the team in Oakland and asked if I would be one of those limited partners. As a community service, I said sure and went home and discussed it with the family. Of course, my son [Walter J. Haas] and son-in-law [Roy

Eisenhardt] were ecstatic and excited. I didn't think much about it.

Then, about a month later Gene and Cornell came back and said that Finley would not sell to a bunch of what he called no-names, but they had to have a leader, one person who, I guess, had roots in the community, or whatever his reason, and I was the guy.

Lage: You mean he picked you, or they thought you were the most likely?

Haas: No, he picked me. I didn't know him. But I said I couldn't possibly do it. I had responsibilities at Levi's. I said no and let it go. Of course, as you know, my family is all here, and we see a lot of each other. At one point, somebody asked whatever happened to the A's, and I told them I had turned the proposition down. They got all upset and said, "You can't do that. This is a wonderful opportunity." My son and son-in-law said, "Suppose we run the team?" Now, this, obviously, is over a period of several conversations.

And I said something like, "You mean, all I have to do is drink beer and eat peanuts and second-guess you?" They said, "That's right."

Lage: And put up the money.

Haas: Yes, and put up the money. So, one thing led to another, including a lot of research and homework, and I bought the team.

Lage: My goodness.

Haas: Basically, I guess you could say, it's a community service. I didn't expect to make money, but I didn't plan on losing a lot of money, either. I didn't expect to be involved, really.

Lage: But the family pressure was important, too.

Haas: Well, it was crucial, and their great interest was also very important. The fact that my son and son-in-law would be involved and I'd have another excuse to communicate and keep in touch was very persuasive.

Lage: Had they both been avid baseball fans?

Haas: I think Roy was pretty much a baseball fan all his life. They were both, it turns out, at crossroads in their careers. They were busy but not enthusiastic about the future of their particular activities. So we got into baseball.

Rebuilding the Franchise

Haas: I remember a few things. At the time, they called the Oakland Coliseum the Oakland Mausoleum.

Lage: Because it was so empty?

Haas: It was so empty. Their attendance was terrible. I think the year before we bought the team, the total annual attendance was under 400,000. At our peak, we filled it up to almost 3 million (which broke the all-time attendance record for all Bay Area sports franchises). Then it's fallen off lately.

They did a tremendous job. The team was really in shambles. I think they only had four to six employees in the front office, total. No scouting system, no nothing. I mean, when we started selling tickets, they had to put extra phone lines in because they didn't have enough lines to take the calls that we were trying to generate. It was a marketing disaster but also a great marketing opportunity.

Lage: What had been Finley's problem?

Haas: He was a tightwad. He watched the pennies closely.

Lage: He just didn't want to spend?

Haas: No, he wouldn't take a telephone call, I believe, more than fifty miles away because he figured it did not represent a potential seat in the stands.

Lage: But he had had a good team at one time.

Haas: He'd had championship teams. I don't know what went through his mind. Anyway, it was certainly a golden opportunity to put in some intelligent marketing practices and sound business practices. I remember I went to Bob Reynolds, who was a part owner of the California Angels, whom I knew, and asked him whether or not I should make an investment like this. He could tell that I was probably going to. He said, "I'll just give you one piece of advice. Don't fall in love with your players." I did fall in love with a couple of them. But--

Lage: Just keep it on a business level with them?

Haas: Yes.

Hiring Andy Dolich

Haas: I remember Roy felt his first need was to get a director of marketing. He made a national search and had at the top of the list a young man named Andy Dolich, who was marketing director for, I believe, a soccer team in Washington. It wasn't a baseball team. Andy came out, and we all liked him. Roy offered him the job, and he said, "I want to check with my family." The next day he called Roy and said no, he didn't think he could accept. That was a surprise to us. We didn't expect that kind of an answer.

About two days later, Andy called and said, "Roy, if you haven't filled the job, I'd like it." Well, Roy was very-- questioned him very carefully. He said, "You can't just give us a casual answer. This involves your future and your family and moving. What causes you to change your attitude?"

He said, "Well, I was browsing through a bookstore in New York the other day. There was a book about Levi Strauss by Ed Cray."¹ (Cray had done that book independently; we cooperated.) Andy said, "I read about those people, and I'd like to work for people like that." That was a wonderful story.

Andy really made an absolutely tremendous success by introducing the theme of family entertainment to baseball. Unfortunately, he called me yesterday, and he's just accepted a job as president of the Golden State Warriors. He had fourteen years with us, and he's deserving of an opportunity. But he--

Lage: He really put his mark on the marketing of the A's.

Haas: Yes, he did and it was a great choice for us. He did a marvelous job. So, those were the beginnings.

Role of Wells Fargo Bank

Haas: One of the first steps was, I had to borrow some money. So, we spoke to various banks. We finally chose Wells Fargo because they offered to help us with our community activities, which we thought we would make important in baseball. Of course, there were competitive interests from a financial point of view. Among the things they offered, they offered for free financial advice to the

¹Ed Cray, *Levi's* (Houghton Mifflin: Boston, 1978).

players, which I thought was an intriguing offer. It was very revealing that in all the years there's never been one player who took advantage of it. I think that probably the agents wouldn't let them. So, you live and learn.

Lage: Well, I guess there are different levels of financial interest among the players.

Haas: Yes. Anyway, that was kind of a naive thing but it was a learning experience.

Lage: How did Wells Fargo help you with the community involvement?

Haas: With publicity and sponsoring events and helping sell tickets. There are a lot of things you can do. I don't know how active they still are.

Haas's Initial Lack of Involvement

Haas: Then there's one other early incident I wanted to recall, really to show my lack of involvement. I'd been asked to go to Minneapolis to give a talk for the Five Percent Club (companies that donate 5 percent of their pre-tax profits to charity) back there, which is an important branch of the business community. Evie and I went back, and when we walked into the lobby of the motel, there was our team, much to my surprise. I didn't even know they were playing in Minneapolis. Now that's how little involved I was.

Lage: You didn't follow it day by day?

Haas: I did not follow it at all. I really literally would read the sports page and go to the games once in a while, but the boys--I liked to call them the boys--were really running it, and they were developing a wonderful franchise. They get the credit.

Lage: You didn't get involved in decisions like who to hire or--

Haas: No, I really didn't.

Lage: And had you been a baseball fan yourself?

Haas: Oh, a sports fan. I've always been a very avid sports fan. Now, of course, I'm a huge baseball fan because that lack of involvement has certainly changed.

Lage: Had you thought about purchasing a sports team before?

Haas: Yes, I'd been approached, actually, for the 49ers when it looked like they might be for sale two or three times, to join with a group. I was interested. I was more interested in football than I was in baseball. But it never eventuated, and actually probably would have been a hell of a lot better investment. But I wouldn't say I would have had any more fun.

Recalling Charlie Finley

Haas: A couple of stories about Charlie Finley. Roy did all the negotiating, and they shook hands over the phone. We were all worried that the news was going to come out prematurely. Charlie came out here to make the announcement. It was going to be made on national TV on baseball's "Game of the Week." I was in Montana at the ranch, and I didn't even come down, which I should have. The boys said they ought to take him out to dinner, and they didn't quite know where to go because they didn't think the public would know them, but they might know Finley, and it would let the cat out of the bag.

So they took him to Villa Taverna, which is a private club. It was very popular, but in the evening there were very few people dining there. Actually that evening, theirs was the only table in the restaurant that was occupied. I think to this day Finley thinks we bought out the whole restaurant so we could keep it quiet.

Lage: [laughter] That must have impressed him if he was one who watched his pennies.

Haas: That's right. Then I met Finley because I was on the board of United Airlines and we were meeting in Chicago. Somebody said, "Gee, you know, that's where Finley lives, and you bought the team. You ought to get together." So, I called him and asked if he'd have lunch with me. He said he would. I said, "Well, you've got to keep it quiet."

Lage: This was before the announcement, also?

Haas: Before the announcement, yes, just a few days before. I got a suite at the hotel, and I knew he liked Jack Daniel's bourbon, so I had a bottle, and I put it on the bar in the suite, and he walked in, very formal, very friendly. I said, "Fine, come on in. We'll have a drink and then we'll order lunch." He said, "Oh, no. We're going across the street to this little fish place I know, and my secretary is going to join us. She's never met anybody like you," whatever that meant. [laughter] "And she wants to meet you." I said, "No,

we're trying to keep this quiet." He says, "Oh don't worry; if it becomes public, I'll give you the team."

Lage: Well, that was a good deal.

Haas: It was silly, but of course he prevailed and over we went. That was a strange luncheon. It went on forever. I met this young lady, who never said a word. Then--I'm censoring this a little bit--anyway, I--

Lage: You're thinking other thoughts about that lunch. [laughter]

Haas: Yes, I probably shouldn't say it. It went on and on and on and finally, we were the only people left, and I told Charlie that I had to go. I had a meeting in our sales office, and I was late for it already, which was not true. So, I had to excuse myself, and we started walking back. As we went by the hotel, he said, "Oh, my gosh, by the way, that bottle of Jack Daniel's. Why don't we go up and have a drink." I said, "Charlie, I've already sent you a case. Now leave that bottle there." So, then I had to go and buy him a case and send him a case of Jack Daniel's.

Lage: That's a pretty good story. It might have been even better if you hadn't censored it.

Haas: Yes, it would have been.

Lage: Well, did you ever get a sense of why he said he wanted you to be the one to buy the team? Was it a financial thing? He thought you were the best credit risk?

Haas: I guess the name was known in the community or something. I mean, the family goes back for several generations.

Lage: I just wondered about Finley's interest in that kind of thing.

Haas: I guess he thought perhaps it was maybe a little more reliable than people whose name he didn't recognize.

Lage: Anyway, he didn't let on to you why.

Haas: No.

Lage: Why was there the need for secrecy?

Haas: Just the need for coordination. We didn't want it leaked prematurely. Also so Charlie wouldn't shop our bid for the team to another buyer.

Billy Ball

Lage: Okay, so here we have a team in disarray.

Haas: Here we have a team in disarray.

Lage: And was Billy Martin the manager when you took over?

Haas: Billy Martin was the manager, and we played Billy Ball. They promoted it, and it was good. As a matter of fact, Billy was a Jekyll and Hyde. He was a wonderful manager, certainly in the early years, of a young ball club. I remember he came out with his girlfriend and her mother and her grandmother, and they lived in a house we provided in Blackhawk. This grandmother made chicken liver paté the way my grandmother should have made it. I loved it, and he found that out, and every once in a while he'd give me a jar of chicken liver paté. Well, I didn't quite know how to reciprocate.

One time we were invited to a reception at his house with a lot of people. The grandmother asked him for a whisky sour. Well, he just threw together some rye and sugar and ice cubes. I liked to mix drinks, so I decided I'd make her a jar of whiskey sours, which I did. The team was doing very badly. We couldn't win a game. We couldn't get anybody out. We couldn't score runs. But before the game, I went in and gave him this jar of whiskey sours for his girlfriend's grandmother. He put it in the refrigerator in his office.

Again, the game started out badly, and we were behind. All of a sudden, about the fifth inning, we erupted with about six runs, and everybody was elated and jumping and cheering. I get a call in the box from Billy. He says, "To heck with my grandmother. I gave the team the whiskey sours." [laughter] I don't know if you want to hear these little episodes.

Lage: Yes, these are the stories that illustrate how it was.

Haas: These really make it kind of fun.

Lage: Was Billy already Finley's manager or was he hired by your staff?

Haas: No, we inherited him.

Lage: Any other stories about Billy Martin? You say he was Jekyll and Hyde. Was this his drinking or--?

Haas: Yes, but I wasn't with the team on the road, and the boys didn't clue me in. But they finally had an episode which went too far, and

he had to be replaced. We had a series of managers who were all very competent baseball people. But sometimes you have people that are knowledgeable and good assistants but don't have the leadership.

Hiring Tony La Russa, the Final Piece in the Jigsaw Puzzle

Haas: Then we were fortunate enough to hire Tony La Russa. I remember one sports writer coming to me and telling me, "Well, now you've got the last piece in your jigsaw puzzle." It turned out to be that way. Tony is an absolutely great manager and a wonderful person. I admire him tremendously. I don't think I'd have enjoyed my involvement in baseball nearly as much if Tony weren't representing us because he represents us well. He has good standards. We have good conversation.

Lage: Well, it seems like a mutual admiration society from what I've read in the paper.

Haas: We've built up a relationship that is, I think, a little unusual. That's good.

Lage: And he came on in '86.

Haas: Yes, and that was the beginning of another turnaround. We had been gradually improving. I should say, during the early years, we didn't get much help from the press. We were losing money. We didn't have a lot of talent. Roy kept telling me that we should get out. He couldn't see any way that this could be a reasonable investment. I guess I was stubborn. It certainly wasn't a decision based on any facts. We decided to stay with it.

Then we got some great young players from our farm system, had three Rookies of the Year in a row. All of a sudden, we were contenders and we won three American League Championships and one World's Championship. Those were heady times. At the time, we were recognized, I think, as the best team in baseball. In fact, they were talking about dynasty.

It's marvelous to reflect back. I show those tapes once in a while, particularly now that we've had a long strike. The economics of baseball just made it impossible to keep that team together. I guess that's one of the reasons that I'm contemplating selling the team now. It was very exciting going to World Series.

Lage: Then your interest picked up, it seems.

Haas: Oh, my. By then it was at a pretty high point, absolutely.

In the Locker Room and Meeting Room: Transmitting a Tradition of Excellence

Lage: How much involvement with the players did you have?

Haas: Well, that's a good question, and it's a tricky subject because I enjoy going to the locker room and I enjoy chatting with them. I don't want to intrude on their privacy. I think I built a pretty good relationship with most of them, and especially with some of them. I did fall in love with a couple of the fellows. I have a very, very open and friendly relationship and a genuine enjoyment. I like to go down to the locker room, and I get the impression they like to see me there. I don't overdo it. In fact, they say, "You ought to come down more often." But I don't know how sincere they are.

You don't realize that to the general public, just being able to see a Mark McGwire is a big, big event. Of course, I just go down and shake hands and chit-chat. We take for granted some things that you get with the ownership of a team.

Lage: Right. It's part of the fun of owning a team.

Haas: It is part of the fun.

Lage: Would you be called on to give a little pep talk?

Haas: No, that's really my son's job and the manager's job--I'm not involved with that. It's hard to know what to say, really, when you're down there. But just don't say the wrong thing.

Lage: I recall reading that you did mention at one time in a locker-room talk the excellence of the Levi Strauss tradition.

Haas: Yes, that's right. I should mention that because I think it made a big difference. I think in one case it did make a difference. It was in the early years, and I forget what year, but Minnesota had just won the World's Championship. We had a meeting in Arizona for all the trainers and coaches and I guess the operations people, you'd call them. I attended, and it was interesting to see how knowledgeable our people were about every player, not only in our team but in baseball. They knew if he moved well to the right or threw hard or was a good fielder. It was really quite remarkable.

They asked me to say something. I hadn't been prepared to say anything. But I remember saying that I was really used to excellence, and at Levi's we demanded excellence and nothing less. That's what I wanted for our team. I wanted the best scouting system. I wanted the best affirmative action program. I wanted the best managers, the best marketing, the best staff. That's what I was used to. I watched Carl Polad, the owner of the Minnesota Twins, get the World Series trophy, and I was really envious. Not just because he had that trophy but because that meant that he was, at that time, representing the best. That's what I wanted.

Well, I didn't realize but I think it changed attitudes because, previous to that, winning wasn't as important a goal for some reason. I know Sandy Alderson, who is the best general manager in baseball, by the way, went out and started making some trades, some unbelievable trades for players, that eventually won us the world championship. I really like to think that what I said changed the motivation or changed the goals somewhat.

Lage: Or the level of expectation.

Haas: Yes, and I'm glad you reminded me of that because that was very important.

The A's Management Team: Wally Haas, Roy Eisenhardt, Sandy Alderson

Lage: And I'd like to hear your thoughts on the crossover between your business experience and the baseball experience.

Haas: Well, things had worked here at Levi's, and they're working there. Actually, I think the A's have by far the best community relations program of anybody in baseball, bar none. Wally [Haas] started that. Along the way, I've got to give Wally huge credit for our success through the years. He doesn't get the publicity that Tony and Sandy do but in his quiet way, he's got a loyal group of employees, and they're motivated and they're competent. He's made some very, very tough decisions. I respect his judgment and his management. I'm very proud of what he's doing.

Lage: And he was the impetus for the community relations program?

Haas: Yes, he started that. That was his initial job when Roy was pretty much running the team.

I'm afraid that by telling you just a bunch of stories, I'm not telling the history of the A's very well. We started as a

moribund franchise and ended up as one of the best respected organizations in baseball and are currently recognized for the quality of our people and our organization. I'm really proud of what they did. But I want to emphasize that, whereas with Levi's I was very much involved all the time and performed a leadership role in our success, with the A's, I am somewhat involved now but I had not been involved earlier. I should not get a lot of the credit I get for their success, but we are considered a model franchise.

Lage: Well, you are being modest again, for sure. But you're telling me that you haven't been an active manager of the A's organization.

Haas: No.

Lage: Now, did Sandy Alderson come with a background in baseball?

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Haas: Sandy was a lawyer in Roy's former law firm. Roy hired him to negotiate terms with players' agents. When you are dealing with agents, it's always better to have someone you can always go back to as the final authority. So we persuaded Sandy to do the negotiating. As Sandy got interested and was very effective, Roy gradually persuaded him to give up his law practice and come full time, which he did. He became the general manager and now he's president and COO [chief operating officer].

Lage: Here you have these three relatively young men without the baseball background.

Haas: None. Yes, and at first, believe me, the other baseball owners tried to take advantage in trades and other situations. They might have had more baseball experience, but they didn't have more brains.

Lage: Well, your management team must be quick studies.

Haas: They were.

I haven't said enough about my son-in-law, Roy Eisenhardt. I have great respect for his judgement and often go over to his house for a cup of coffee just to exchange ideas or get advice. Often this is on matters that do not affect him directly but he is highly intelligent and his perspective is extremely valuable.

He truly is a renaissance man, with a great variety of skills and abilities. He can (and does) fix anything on our TV and is an experienced carpenter, plumber, electrician--you name it. His interests are varied--from politics to the sports page--and we have many interesting discussions. A very satisfactory son-in-law.

The Thrills and Satisfactions of Owning the A's

Lage: What were some of the peak experiences of owning the A's?

Haas: I just can't convey how exciting it is to be in a World Series and have a police escort to the airport and the crowds cheering. It's an emotional drain. After the series, I'd go up to Oregon and recharge the batteries. But it's an experience you can't ever duplicate.

Lage: It was different from your Levi's experience. You had more, much more public exposure.

Haas: Yes, and I don't particularly relish that. We've kept it to a minimum.

A Sense of Community Service

Haas: I guess one of my biggest satisfactions or joys is when I go to a game and see all the people there, all ages, families, backgrounds, having tailgates, throwing a ball, having a good time, and I realize that they wouldn't be there if we hadn't kept the team in Oakland. That is actually among the greatest satisfactions. Perhaps of all the moments that I enjoy, and I've had many, was that plaque you saw from the employees.

Lage: Now, tell more about that. What was the occasion?

Haas: Well, we had won the World Series. I was over at a meeting at the office at the Coliseum. Somebody said, "Come on outside. I want to show you something." They were all gathered there. They gave me this certificate of appreciation. I was so touched because I don't think I've ever seen one like it. It's on the wall of my office, and I have to confess I have one on the wall at home, too. [laughter] Each employee in the office pledged eight hours of volunteer work in the community in honor of our winning the championship. Nothing they could have done could have pleased me more or made me more proud. It was really a wonderful thing.

Lage: And you had some players that gave a lot to the community as well.

Haas: Yes, they have an annual Walter Haas, Jr., Community Service Award. Each year we give it to one of the players who has voluntarily

helped in the community on some project of his own. There are a lot of them now that are giving time or giving money for these causes. I'm very pleased that we've developed that. They don't all do it, but a lot of them do.

Reggie Jackson and His Personal Jet

Haas: One of my favorite stories in baseball had to do with Reggie Jackson. Reggie worked for us--we signed Reggie for the last year of his playing career. Before the season starts, we have kind of a road show that we put on. We take players and coaches to various nearby communities, Manteca and Modesto and Stockton or whatever, and go to the Rotary Club or whoever sponsors the event, and talk baseball and get people excited before the season starts and try to sell a few tickets.

So I was in Hawaii one New Year's, and I got a call from the Fresno Booster's Club saying, "I know you always come down with somebody, but please bring Reggie Jackson. We'll pay him \$5,000 for coming down to Fresno." I said, "I'll see what I can do," and I spoke to my son. He spoke to Reggie, and Reggie said, "Sure, I'll do it. But I don't want the \$5,000." That was pretty impressive.

Well, a couple of days before the event, I suddenly wondered how we were going to get Reggie to Fresno. I called around to some of my friends to see if I could get a corporate jet, and I couldn't. So we hired a twin engine plane.

The day before he was supposed to go, Wally called Reggie and said, "We're all set; I'll meet you at Kaiser at such-and-such a time." Reggie said, "What are we going down in? In a jet?" Wally said, "No, it's a nice twin-engine turbo-prop. It only takes forty minutes, Reggie. What the heck?"

He said, "You mean you don't have a jet?" He said, "No, there's a copilot and a pilot. It's a short flight."

He said, "You mean your dad does not own a jet?" He said, "No, Dad doesn't own a jet."

He said, "I don't believe that. The Oakland A's certainly own a jet?" Wally said, "No, the A's don't own a jet."

He said, "Well, don't tell me that Levi Strauss doesn't own a jet?" Wally said, "No, as a matter of fact, Levi's doesn't own a jet."

There was a long pause, and Reggie said, "Well, I have a jet. Why don't you come with me?" [laughter]

Lace: That tells a lot about baseball.

Haas: Yes, it tells about baseball and the salary levels and a lot of things. But that was a fun story.

Lage: That's wonderful. And what was Reggie like?

Haas: Reggie was always good to me. Reggie and I had a good relationship. We saw a lot of each other at times. We'd have meals together. He had a lot of ideas. He was very anxious at the end to work as my personal assistant, and I'd have liked to have had him, because he was knowledgeable and he's fun and he knows baseball, but I was afraid that if he sat in the box as kind of an advisor, the manager would feel he was being second-guessed if he pulled a pitcher or made a move. So it didn't work. Later Reggie decided to go into the Hall of Fame as a Yankee instead of an A, so that kind of cooled off the relationship.

Lage: But I remember you gave me a speech you made in presenting him to the Baseball Hall of Fame. Is that correct?

Haas: No. It was to the local Bay Area Hall of Fame, but in the national, he went as a Yankee. He's a vice president of the Yankees, so there it is.

The World Series, 1989

Haas: I referred to my talk at Harvard Business School, and I remember how I concluded that talk--during one of the World Series, I was asked to throw out the first pitch. It was certainly an absolutely incredible experience.

Lage: Did you practice a bit?

Haas: Yes, I did. It seems further than you think to throw from that mound to home plate. So I got my grandson, and we started at about forty feet and worked it up to sixty feet, six inches, and I think I threw a strike, but I'm not sure.

But at Harvard Business School, I concluded my comments by saying how much fun I'd had at baseball and how much I enjoyed the Harvard experience. I said, "I had been asked to throw out the first pitch. There I was with 49,000 people in the stands and

something like 80 million people all over the world watching me. I threw out the first pitch." And I said, "And they didn't teach me that at Harvard." [laughter] So, that was a little fun.

Lage: The World Series that the A's won was known as the Bay Bridge World Series [between the Oakland A's and the San Francisco Giants]. And of course, it was also the year of the big earthquake. Were you at Candlestick during that earthquake?

Haas: We were at the game, yes. The earthquake was a terrible thing for the community.

Lage: Once the games resumed, that cross-bay competition must have been a thrill.

Haas: Yes, it was absolutely wonderful! There's a fascinating book here on that World Series. It has all the passes and tickets and newspaper accounts. Evie kept a diary and pictures. They're wonderful.

Lage: Now, how has Evie fit in with all this? Was she a baseball fan?

Haas: No. Evie's a wonderful wife, and she went along, and eventually she became interested. Now I have to fight her for the sports page in the morning. She enjoys entertaining friends in the box, and she gets a thrill when she goes up the same elevator with Dennis Eckersley in Toronto. She's really a superfan. If we sell the team, we're going to miss it, I'll say that. We're going to miss it a lot.

Two Errant Foul Balls

Lage: Your son indicates that things didn't start so auspiciously for Evie, though. Isn't there a story about a foul ball?

Haas: Oh yes. On opening night, 1981, our very first game as owners, Tony Armas fouled off a pitch that came right through the open window of our box. I was ecstatic at this stroke of good fortune until I looked at my wife. The ball had been traveling at a very high velocity and hit her in the shin. She was in agony! Once that was behind us we went on to enjoy the game. It was only one of three balls that have been hit into our box in fourteen years, and the only one that hit anybody!

Now, that reminds me of one of my own encounters with a foul ball. Just before the start of one of the seasons, I attended a Giants vs. A's game at Candlestick Park as part of the Bay Bridge

Series. I went down on the field and was standing apparently too close to the batting cage. A foul ball came screaming off Dave Henderson's bat and even though I was behind the screen, it was not strung tightly enough and I felt a heavy shock as the screen gave and the ball hit me in the face. I was incredibly fortunate that I didn't lose a tooth or an eye or otherwise get badly hurt.

I put my hand up to my mouth instinctively and when I took it away it was crimson with blood. The ball had split my upper lip as if it had been cut by a knife. The trainer came rushing over and with another fellow helped me off the field. I put a towel to my face but I was still gushing blood. At the Giants' stadium I had to walk from the batting cage clear down to right field where the entrance to the Giants' dugout is located.

They laid me on a table and I had the benefit of trainers and doctors from both the A's and the Giants. They felt I should get immediate attention from a specialist and I was very lucky. They found Dr. Roger Greenberg, who met me in his office that afternoon. Poor Wally had to drive me from the ballpark to the doctor's office while at the same time phoning Evie to meet us without trying to alarm her too much.

The doctor was incredible: I expected to be permanently and badly scarred, but within two months, no one could see any indication that there had been any sort of wound on my upper lip.

The following evening, which was the opening of baseball season, I had to give some awards to A's players for the previous year's accomplishments. I was in front of the TV cameras with a lump the size of an egg on my face, but the TV people covered it up pretty well. What could have been a terrible tragedy turned out to be just a good baseball story.

The All-Star Game, 1987

Lage: I'll bet you'll miss the team. Another of the good times must have been the All-Star Game in Oakland in July 1987.

Haas: Yes. We went down to Houston the year before, because that's where they held the All-Star Game, and we wanted to see how they handled it. It's a big thing in the community. I remember that there were meetings and discussions, and Peter Ueberroth was the commissioner. He said to the Oakland group, "I want to see you fellows at midnight tonight. I want to talk about next year and see that you're properly prepared."

Well, Andy Dolich knocked Ueberroth off his seat, because he was going to tell us what had to be done, and he wanted to be sure that nothing went wrong. Andy had it all laid out already. He gave Peter baseball caps with 'All-Star Game in Oakland, 1987.' So that was fun. Actually, it was a long game, and everybody said it was boring. It was fun meeting all the good players. Again, my personal experience was just nothing but pleasant. They make it easy.

Lage: And again, a big community event.

The Economics of Baseball

The Farm System

Lage: Was the farm system an important part of the A's success? It had been moribund also when you purchased the team.

Haas: We had no farm system, and it takes a while. It takes time. What happens in baseball, when you have success, you don't get high draft picks, which is supposed to even out the competition. So, in recent years, our farm system has not produced the same number of major league players as we got before because we haven't had high picks. Now, in the last couple of years, it's strengthening again, and we've got some wonderful young players, particularly pitchers that in a year or two are going to be heard from.

Lage: So, dynasty building is really hard under the rules.

Haas: Yes, under the economics of baseball. We were on the verge of a dynasty. Then we had to break up the team.

Lage: That must have been hard emotionally.

Haas: It is. It's very hard. Right now, we have some players we want, and we can't afford them.

Implications of Rising Player Salaries

Lage: Did you get involved in any of the difficult player personnel decisions over the years? I guess I was thinking specifically of

the decision to trade Dave Stewart, which must have been a difficult one. Did you have input on that one?

Haas: Actually we did not trade Dave Stewart. He became a free agent and somewhat hurriedly signed with Toronto.

We had a number of discussions regarding Dave because he is a special person, was a leader on our team, and very much involved with the community. I did participate in several discussions with Wally and Sandy, but in the end we lost him.

Our normal procedure in making personnel decisions was to discuss a total budget in the early season. We want to be competitive, but you couldn't just go off the wall. We were competitive, because we had young players from the farm system. When I bought the team, we had the best outfield in baseball. We had Dwayne Murphy, we had Rickey Henderson, we had Tony Armas, and between the three of them, their total salaries were \$100,000, about \$35,000 each. That \$100,000 today would be between \$10 and \$12 million.

Lage: That's an incredible comparison. Fourteen years.

Haas: Yes, it is. And it's very relevant because, obviously, TV revenues and ticket prices haven't gone up that much. That's basically why I'm not able to compete with some of the bigger markets with larger television revenues. So we're considering selling the team. You can't compete, it's changed so much. The terrible strike is going on now, and I don't see any resolution to it. The owners want to change and have to change the system, and the players don't want to give up anything. I guess there will be resolution, but I don't quite know--

Lage: It's taking quite a while, it seems.

Haas: It's not even any closer than it was before.

Relations with the City of Oakland; Efforts to Keep the Team in Oakland

Lage: What about relationships with the city of Oakland and the Oakland Coliseum?

Haas: I don't get involved in that, really.

- Lage: The one time it came up was over a loan that you applied for from the city.
- Haas: Oh, well, yes, we did that. We needed to borrow money. Really, some communities do an awful lot of things for the professional franchises that Oakland can't do; they just don't have the resources. I remember we talked to them about a loan and we got it, and we were kind of sorry we did, because although we never had any problems, they were always under the surface. So when that loan was due, we paid it off. Now we're borrowing more, but we do it through private resources.
- Lage: When you say problems, do you mean community relations problems?
- Haas: Yes, community relations: "Why are we lending money to a baseball team when we don't have enough police, or we have all these other social problems that demand attention?" That's a proper concern.
- Lage: But the team brings so much to the community.
- Haas: Yes, baseball is important in the community. That's why I bought the team: it helps economically, it helps the pride of a community. It's an extremely--nearly vital--asset for Oakland. So I felt that it was an important thing to do to save the team, and now I think it's an important thing to keep it in Oakland. As you know, we've offered the team for sale at a bargain price if they keep it in Oakland. At the moment, there seem to be two legitimate offers, which frankly is two more than I expected.
- Lage: You weren't that confident about finding a local buyer?
- Haas: No, I wasn't sure with the uncertainty of baseball, but it looks like they're legitimate. That would, of course, please me no end, if not only was I able to keep it fifteen years ago, but also to keep the team in Oakland now for an indefinite period.
- Lage: What will happen if these two offers don't work out?
- Haas: Then we have the right to sell the team elsewhere, for probably a lot more money. There are always people who want to buy teams. I just hope it doesn't get to that. There's quite a lot of money involved. I'd rather keep it in Oakland.
- Lage: Time will tell.

The Giants and the A's: Natural Competitors

Lage: What was the relationship between the A's and the Giants, yourself and Bob Lurie?

Haas: I guess it's kind of like Macy's and Gimbel's. It's cordial, but--. We're competitors in the same market. I knew Bob Lurie; I saw him last night. Bob now is very friendly. For a while, he was a little distant, but that was a misunderstanding that I was not involved in. But obviously, you're competing for the same--

Lage: He wanted the team to leave Oakland, apparently.

Haas: Oh, yes. He offered a million dollars if the team would leave the Bay Area, and he was absolutely amazed that we bought the team, and distressed.

Lage: Is the competition over selling seats, or selling time on the TV?

Haas: Both. It's a small market for two teams, and the Giants under new ownership a year ago got lightning in a bottle, and it was absolutely fantastic. This year their ownership is quite disillusioned, I think.

Lage: Well, the strike.

Haas: Yes, but before that, they were going to lose money, and they didn't expect that. So there's not much I can say. The relationship is cordial, but we're trying to compete.

Some Final Thoughts on Life and Family

Lage: Is there anything else that you would like to add?

Haas: Not about the A's, except I'd like to just kind of conclude with a general statement, if I could.

Lage: Of course.

Haas: I've enjoyed these sessions, and it's caused me to look back with nostalgia on some interesting experiences. And then you look back on a long life and wonder if you've contributed anything, was it worth it, would anybody care? And I'm relatively satisfied that the leadership of Levi's from a tiny little company to a worldwide business that is respected certainly makes a difference to a lot of

people. My involvement with the A's, although less, was also bringing an institution that was in trouble to the heights, and recognition and respect. Even some of the community things: Season of Sharing, and the Guardsmen, and Hunters Point Boys' Club, were an excellent sort of leadership role that I think made a difference. So I'm pleased with that.

I look at all the friends I have, how much they've meant to me, and hopefully I've meant to them. And finally my family: my wife, I can't say enough about her support and affection. My kids, all of them, have good values and are successful in their own right. Now the grandkids are coming along with the same set of values. I feel it's been worthwhile; I have a lot of pride and satisfaction in looking back.

I have had a full and rewarding life. Reflecting on that which has become most meaningful in these later years, I turn more and more to my family. When he's in town, Bob comes into my office every day just to visit. He is under such pressures that these conversations are especially meaningful. Bob's wife, Colleen, is devoted to Bob and their daughter, Elise. I know how important it is to have a supportive and loving partner while managing the pressures of a multinational corporation. She's a great wife. And, at the same time, she is intensively focused on supporting the goals of their daughter, Elise, who wants to try out and someday compete in the Olympic Games in jumping horses.

Wally never fails to phone, and often drops by our house at the end of a day. These are busy times for the A's, but I know that he's motivated not only to keep me current on the situation but also to see how I'm doing and to give me a cheer. Julie (Wally's wife) is a sweetheart--an artist, and always there. She makes me feel as if I really were her father. Consistently thoughtful, she'll send over goodies that she's cooked that she knows I enjoy, invites us on the spur of the moment to participate in family activities, and we have long talks and an easy and loving relationship.

I don't really know how to express my love for Betsy, our only daughter. She's always around, always trying to be helpful, always with good ideas on family problems. Betsy is Evie's best friend. They're on the phone several times a day, but also do lots of things together--the Museum, shopping, movies, walking the dogs, you name it. She's probably the glue that will keep the family together and close in the years to come. She is inseparable from her children, a traditionalist over holidays, and generally full of energy and enthusiasm--always on the go. She is indefatigable, chauffeuring her children (and their classmates) endlessly, arranging trips, monitoring the progress of the schools and generally adding joy

wherever she is. She continuously drops by unexpectedly and is always welcome.

Roy is a brilliant renaissance man and a caring and attentive son-in-law. He established the foundation for the A's success, while Wally was absolutely the right person to expand the success of the A's when Roy took over the directorship of the California Academy of Sciences, where he again was successful in improving that situation.

Aren't we lucky.

Lage: You are fortunate, and you have a great deal to look back on with pride. I've enjoyed recording this oral history with you, and I hope that the experience has helped bring all these aspects of your life together.

Haas: It has; it's been grand.

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Biographical Data

WALTER A. HAAS, JR.

- DATE OF BIRTH:** - January 24, 1916, San Francisco, California
- EDUCATION:** - Galileo High School
 - University of California - 1937 (A.B.)
 - Harvard Graduate School of Business Administration - 1939 (M.B.A.)
- CAMPUS ACTIVITIES:** - Tennis Varsity
 - Member, Big "C" Society
 - Alpha Delta Phi Fraternity
- BUSINESS:** - Honorary Chairman of the Board, Levi Strauss & Co.
- BUSINESS, EDUCATION AND CIVIC AFFILIATIONS:** (Current)
 - Owner, Oakland Athletics Baseball Company
 - Trustee, The Business Enterprise Trust
 - Advisory Council, Reading is Fundamental, Inc.
 - Director, National Park Foundation
 - Member, Presidio Council
- BUSINESS, EDUCATION AND CIVIC AFFILIATIONS:** (Former)
 - Director, BankAmerica Corporation and Bank of America
 - Director, United Air Lines, Inc./UAL Inc.
 - Director, Pacific Telephone Company
 - Member, Trilateral Commission
 - Trustee, Ford Foundation
 - Member, National Commission on Public Service
 - Member, Executive Committee & Regional Chairman, National Alliance of Businessmen
 - Member, Presidential Advisory Council for Minority Enterprise
 - Member, Presidential Task Force on International Development (1970)
 - Trustee, Committee for Economic Development
 - Co-Chairman, Business Steering Committee, National Cambodia Crisis Committee

BUSINESS, EDUCATION AND CIVIC AFFILIATIONS

(Former, cont'd)

- Member, SRI International Advisory Council
- Director, San Francisco Chamber of Commerce
- Director, Mount Zion Hospital
- Trustee, San Francisco Bay Area Council
- Director, Levi Strauss Foundation
- Director, National Urban League
- Director, Bay Area Urban League
- Director, Trustee, United Bay Area Crusade
- Board, Youth Tennis Foundation
- Member, Citizens Commission on Private Philanthropy and Public Needs
- Member, Intercollegiate Athletics Advisory Board, University of California
- Member, National Center for Voluntary Action
- Director, GWG Ltd.
- Represented State Department (Agency for International Development) in Brazil to evaluate our projects of assistance to this country (1967)
- Trustee, San Francisco Bureau of Governmental Research
- Director, Hunters Point Boys' Club
- Director, San Francisco Boys' Club
- Councilor, University of California Alumni Association (1952-55)
- President, The Guardsmen (1952)
- President, Manufacturers and Wholesalers Association of San Francisco (1951)
- Director, Mauna Kea Properties
- Commissioner, San Francisco Parking Authority (1953)

- Member, Advisory Council, Stanford Graduate School of Business
- Member, Visiting Committee, Harvard Business School

AWARDS:

- 1991 - The Berkeley Medal, University of California
- 1990 - Distinguished Citizen Award, Commonwealth Club of California
- 1989 - American Academy of Achievement "Golden Plate Award"
- 1988 - Honored by the World Affairs Council of Northern California
- 1986 - Harvard Club of San Francisco "Distinguished Citizen Award"
- 1985 - United Way of America "The Alexis de Tocqueville Society Award"
- 1984 - Alumnus of the Year - University of California, Berkeley
- 1983 - American Image Apparel Industry Hall of Fame Award, presented by Men's Fashion Association
- 1983 - Honorary Degree - Doctor of Law - Wheaton College
- 1982 - Chancellor's Award, University of California, Berkeley Foundation
- 1979 - Harvard University, Graduate School of Business, Alumni Achievement Award
- 1977 - Jefferson Award - American Institute for Public Service for "Outstanding Public Service Benefitting Local Communities"
- 1976 - Financial World Magazine - CHIEF EXECUTIVE OFFICER OF THE YEAR
- 1976 - University of California - Alumnus Service Award

AWARDS (cont'd) 1976 - Honorary Member, Phi Beta Kappa Society
1970 - The Boys' and Young Men's Apparel Buyers' Association, Inc. "MAN OF THE YEAR"
1969 - Harvard Business School Club of Northern California "STATESMAN OF THE YEAR"
1953 - Time Magazine Selection "LEADERS OF TOMORROW"
1951 - San Francisco Junior Chamber of Commerce "OUTSTANDING YOUNG MAN OF THE YEAR"
1951 - Manufacturers and Wholesalers Association of San Francisco "DISTINGUISHED ACHIEVEMENT"

MILITARY STATUS: - 52 months active duty, World War II, Rank of Major QMC

MARITAL STATUS: - Married Evelyn Danzig in 1940
Three Children: Robert Douglas
Elizabeth Jane
Walter Jerome
Grandchildren: six

CLUBS: - The Bohemian Club
- The Family
- Lake Merced Golf Club
- Menlo Country Club
- Pacific-Union Club

RESIDENCE: 2666 Broadway, San Francisco, CA 94115

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Berkeley, California

Walter A. Haas, Jr., Oral History

APPENDIX B

INTERVIEW WITH RITA GUINEY

An Interview Conducted by
Ann Lage
in 1994

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INTERVIEW HISTORY--Rita Guiney

Rita Guiney came to work as a secretary for Levi Strauss & Co. in 1942. She soon became an essential part of the company's executive offices, as executive assistant to both Walter and Peter Haas and eventually secretary to the board of directors and vice president of the company. Her unofficial roles as ombudsman, gatekeeper, and "part of the family" were as highly valued by Walter Haas as her efficient and gracious performance of her official duties. She retired in 1987 after forty-five years of service.

We asked Rita Guiney to supplement Walter Haas's oral history with some of her recollections from her vantage point in the executive office. In this interview, conducted November 9, 1994, Ms. Guiney gives a picture of the personal warmth, sensitivity, and vision that Walter Haas brought to his leadership of the company--qualities which fostered a family feeling at Levi Strauss & Co. and engendered strong employee loyalties, as well as creating a highly successful business enterprise.

Ms. Guiney kept the focus of the interview on Mr. Haas and the company, with the reminder that this was for "Walter's oral history," not her own. She reviewed her transcript with care, clarifying her words when necessary and omitting a few sections where she felt the interview may have strayed from its central purpose.

Ann Lage
Interviewer/Editor

June 2, 1995
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

APPENDIX B--INTERVIEW WITH RITA GUINEY

[Date of Interview: November 9, 1994] ##

Hired at Levi Strauss & Co., 1942: The Early Days

Lage: Now, you don't want to talk about yourself. I know that.

Guiney: I don't feel that it's appropriate. This is Walter's oral history and I want to confine my remarks to him.

Lage: I understand. But we should at least begin by having you tell how you came to Levi's and where you came from.

Guiney: All right. Well, it was during the war, and jobs were plentiful. I had an offer of five jobs, actually, at that particular time. Levi's was one of them. They all paid the same, so I had the dilemma of which one do I take. And when I went home at the end of the day and talked it over with my parents, they immediately said, "Take Levi's. They're good to their people."

Lage: They knew that at the time?

Guiney: The company had that reputation. And that was it. It certainly wasn't the building. It was a very old, old building, at 98 Battery Street.

I reported to a Mr. Beronio, Dave Beronio, who was credit manager at the time. Well, he was vice president. He really was an important executive in the company.

Lage: And what was your job?

Guiney: Secretary. I did his dictation, and some clerical work with it. But I worked for him exclusively, and it was just a very small operation. It's so hard, when you look at the giant that Levi's

has become, to remember that we were a speck on the earth. If you said you worked for Levi Strauss, many people wouldn't recognize it. Of course, if you said you worked for Levi's, the pants, the name Levi's was immediately recognizable, but not the company. It was a very small operation.

Lage: I wonder how your parents knew of it. Were they in the business world?

Guiney: No, no. They're from the old country, from Ireland. But the company had a good reputation. I think generally people know, have a pretty good idea, of what companies are good to work for even today.

Lage: Well, they do.

Guiney: You know, McKesson and Hewlett-Packard are good and, well, there are several. It was no different in those days. But that's how I took the job, or why I took it, because of the recommendation. Quite honestly, I felt I'll stay a month and if I don't like it, you know. But here I am.

Lage: Here you are. You must have liked it. Were you from San Francisco originally?

Guiney: Oh, yes.

Lage: Now, I want to know where you went from there. What was the course of your career?

Guiney: All right, well, I worked for Mr. Beronio and then Walter and Peter came back into the firm [after World War II]. Peter spent most of the day, I think the first couple of years, out at the factory at 250 Valencia Street. But Walter came back and was here [at Battery Street] full time. I hadn't met either one of them. Walter asked me to take some dictation one day, which I did. And I can remember I was a nervous wreck. This was the boss's son, you know, and he was--he could not have been nicer. But it was a lot different, you know, than working in the credit department.

Growth, and Opportunities for Advancement

Guiney: So, it sort of started that way. There was no grandiose plan, not at all. I just started working for him and eventually for Peter doing more and more. Walter was personnel manager at the time. As he gained confidence in me, and I think he felt that I had an

instinct for situations and for people and such, he had me screening the people that he hired. That was a wonderful experience and I loved it. It brought some real variety to my job, as you can imagine. Really, it just--the company started to grow. It was very, very exciting. I just took on more responsibilities, keeping work away from them that I knew I could handle to free up their time.

Of course, as we got bigger, many good things happened. I was executive assistant. Then I was also secretary to the board of directors. We had a wonderful board. That's after we had gone public, and it was a very exciting time. Then, eventually, I was made a vice president.

Lage: It has been a good career for you.

Guiney: It was an exciting career, very gratifying, especially to see the company grow from almost zero. Believe me. We were so small.

Lage: And what is your sense about that growth? I mean, I loved Walter's sense of chance and good fortune, which is part of the story, I'm sure.

Guiney: Absolutely, the opportunities that it presented to people.

Lage: And yet not all companies seize those opportunities.

Guiney: No, they didn't. But that's what made the Haases, both Walter and Peter, unique. You know, when you think about them--and I feel I want to say this about Peter even though this is Walter's oral history and I'll confine my remarks to him--we had great respect for the way that they handled themselves. They came into a firm with wonderful backgrounds, education and rearing, the whole thing. I don't think anyone could ever, ever say that he felt intimidated by them. They had a lovely manner and tremendous respect for the people who were here. They felt strongly about providing us with a good environment and the opportunity to move ahead, instead of bringing people in from the outside.

Lage: They promoted from within.

Guiney: They absolutely promoted from within and gave everyone who had anything on the ball a chance. If you were ambitious and cared about the company, cared about getting ahead, they gave you the opportunity. That was really most admirable.

Lage: When you were doing this personnel screening--this goes way back and so it may be an unfair question--but was there something

unique about the kinds of things you were supposed to be looking for?

Guiney: No, not really. No, I wouldn't say there was. Just a feeling that the person could do the job and he or she was intelligent and maybe the right fit for the company, people who cared. It was really a gut reaction.

Lage: Because I get the sense that choosing good people is one of Walter's fortes.

Guiney: Oh, absolutely. Yes, I would say that. He has that marvelous instinct for people.

Lage: I'm going to pose a question that really didn't come up till later in time, with the attention to women's issues. Looking at your own career, would you have been doing something different if you were a man, do you think?

Guiney: Yes, very definitely. But in those days, Ann, no one ever thought about women's issues. That was the last thing on earth. We really just weren't--I'm sure that you find that difficult to understand today. As a historian, you know that it existed.

Lage: Of course. You would have a very different interview, I think. [laughter]

Guiney: Oh, I think so, too. But that never--

Lage: Didn't enter your mind.

Guiney: Did not enter my mind.

Lage: But I've read company literature where they're thinking about why don't they have more women in management positions, in the seventies, I believe.

Guiney: Yes, that's right, when this issue really began to surface.

Lage: But then you did become vice president, after all.

Guiney: Yes, and that was wonderful. Walter was very interested in personnel, always, even long after he left it [the personnel manager position]. And I think that's one of the secrets of his success as well, that he was always in touch with personnel, the policies, what we were doing, what advancements were being made from within. I was fortunate enough to be there and see what was going on.

A Family Business with a Work Ethic

Lage: Now, I know you have some thoughts about family businesses and how this one has succeeded and others haven't. Did you have a chance to observe Walter and Peter's relationship with the older generation, with their father and uncle?

Guiney: Oh, yes, very respectful.

Lage: Was it smooth?

Guiney: Oh, very smooth. I don't mean every day it was smooth because Walter and Peter were both ambitious and wanted to get the company going. You know, really, when you think about what their father and Dan Koshland had experienced, life was so different then. And after the war things were changing rapidly.

One of the things that really impressed me and impressed all the employees was their work ethic. I could not believe it. You know, in those days, Ann, some wealthy people who went into family businesses very often just put in time and maybe not every day. But they were here every single day from eight on to quitting time, or longer than that. I could never get over that. I was very young and I used to think, "This is amazing. Why would you want to work this hard when you don't have to?"

Lage: Well, what was your answer?

Guiney: It had to do with the way they were brought up. It was a work ethic and their sense of responsibility and the feeling--Walter felt so strongly about his responsibility to the employees, their jobs, all the factory workers. They have great respect for the operators. They were always concerned when any kind of a crisis would arise that might curtail the operations and the factories because those women were so dependent on their salaries. That just has to be wonderful breeding, just a good background. That really impressed all of us. We all felt a responsibility to do a job because of their great feeling of responsibility as well.

Lage: That's the way those things get passed on and become part of the company culture, it seems.

Guiney: Yes it does. It is by example. But I think I mentioned to you about other companies, family-owned companies in San Francisco--Fuller Paints and Folger Coffee were the big ones, and there were several others. Fuller Paints, I think it was Norton Simon Company which bought them years ago, I don't know, thirty, forty years ago. Then Folgers was bought out by Proctor & Gamble.

That's why you can't help but have respect for these men who hung in there and just made it grow. They are the largest apparel manufacturer in the world.

Lage: And they seemed to really enjoy it.

Guiney: Loved it.

Lage: That might be the key as well as work ethic.

Guiney: That's right, the challenge that it presented. They loved it, absolutely. It was just a very exciting time. I don't mean we didn't have problems along the way. Obviously, everyone does from time to time. But there was--people loved Levi's. They really do. I think that might have been a slogan or something. But we were always very proud to be able to say that we worked here. Believe me when I tell you this, the reputation that the company had was just phenomenal. When you said you worked for Levi's, automatically people would say, "Well, I hear that's a great place." I heard it all through the years.

You know, it's sort of a contagious feeling, the enthusiasm that we experienced. Naturally, when you're talking to friends and business associates, you convey these feelings and it just goes on and on. It was really quite wonderful as I look back on it.

Generational Differences, Growth, and Change at Levi Strauss & Co.

Lage: Now, we talked before we started recording about some of the things you wanted to get across. In general, some of them were qualities that you were afraid would not be reflected strongly enough in Walter's own remarks. Maybe we can talk about the qualities and then you can help by illustrating some of them. Now, that's the hard part, I know, but let's see.

Guiney: First of all, since I worked for Walter for so many years, I don't want--I don't know what the reaction might be if someone were to pick this up and read it ten years from now and think, "Well, why wouldn't she say it? She worked for him." That would do him such a disservice. I just want to make that clear.

Lage: Let's start by going back to the question about the operation of the business as a family affair. Do you recall any way that the family jointly made decisions or any occasions when Peter and

Walter had to kind of prod to get their father and uncle to move ahead?

Guiney: Well, of course they had to prod. Absolutely. In fact, the growth of the company today would be beyond their comprehension, I think. And their father was a brilliant man and Dan Koshland equally great. They never, in their wildest thoughts, ever imagined that it would be as big as it has become. I remember, I think it was about in the 1960s--I'm not exactly certain--Mr. Haas, Sr., said to me one day, "My children will take the company national and my grandchildren, international." And this was probably early sixties or late fifties or something. So this will give you an idea of how little they anticipated the growth happening as quickly as it did.

Lage: But he did foresee big things, even though he had the timeline wrong.

Guiney: Oh, absolutely. He was--I think both Walter and Peter had a wonderful relationship with the two men. I'm sure, initially, wanting to grow as fast as they did, that it was difficult because the elder men were more conservative.

Lage: Less wanting to take risks?

Guiney: They were men of their times. It was different, Walter and Peter coming back into the firm and seeing the changes that were taking place in the world.

Lage: One thing Walter pointed out was recognizing the youth market, the baby boom.

Guiney: That's right, right after the war.

Lage: Right.

Guiney: And the trend to casual living. That's when they developed the casual line--faded blue jeans, leisure wear, et cetera. Oh, yes, very definitely.

Lage: Now, were things like this a result of the top executives talking together?

Guiney: Yes, I think you know that Walter brought in Mel Bacharach and Art Roth, and it was just what the company needed--more sophisticated men with marvelous educational backgrounds. They were both important executives at the time. When you think about it, it was done in such a decent way that the older executives stayed on, and

the younger people, led by Walter and Peter, certainly, brought the company to even greater success.

Lage: Did you see that happen?

Guiney: Oh, absolutely. That is really a significant part of the success story.

Lage: That would be a touchy situation, bringing in the young college and business school grads.

Guiney: That's right. These were men who started, most of them started in the basement, you know, in the shipping department and then gradually worked their way up.

Lage: Was there grumbling? Were you aware, in your position, that people grumbled about these young upstarts?

Guiney: Oh, both men, both Mel and Art, were good human beings. Of course it was difficult. I'm sure it was difficult for them, but they handled it well. They knew, anyway, that Walter wouldn't have tolerated their getting out of line. And of course they had arguments the way that anybody would in that position. But they were basically good people, and they were able to move ahead. Walter was very involved in pushing them forward.

Walter, a Visionary and Marketing Genius

Lage: There's a lot of vision there. Maybe that doesn't come out strongly enough in his oral history.

Guiney: He is a real visionary and a marketing genius.

Lage: Now, tell me more about that. That's something that we haven't captured thoroughly enough.

Guiney: Absolute genius in this area, and everybody would say this.

Lage: What do you mean by marketing genius?

Guiney: He had a feeling for it. He is a very sophisticated man, as you know, and very aware of what is going on around him, involved in many phases of life, and very creative. He had an excellent grasp of economic conditions and was a strong proponent of free trade, dating back many years when the textile industry was cloaked in protectionism.

Lage: Can you think of marketing decisions?

Guiney: Very creative. If somebody like Bill Day from the ad agency, whom he loved, would come with an idea, he would know; his instincts would be, "Let's try it." He wasn't afraid to try new things. I think it was always a challenge to him, and he has tremendous vitality and charisma. It all just works together if you have all of these qualities. He loves life. Very definitely he loves life. So, put them all together, the high intelligence, the awareness, certainly the vision--number one the vision--the excitement of doing something new. Absolutely.

Lage: He loved new things?

Guiney: Absolutely loved new things.

Lage: Now, when you say marketing, is this partly knowing a good ad campaign or is this knowing what's going to be a good new product?

Guiney: Well, it would be a combination of both, you know. Ideas would be--that doesn't mean that every single decision was right. It never is for anybody.

Lage: In fact, we had a whole session on wrong decisions, which I thought was significant in itself.

Guiney: Absolutely. But he wasn't afraid to take chances when other people were. That's what moved this company forward.

Lage: So, would he have to argue to take those chances?

Guiney: Definitely. He certainly argued with his dad. But he did, and he usually won.

A Unique Relationship between Management and Employees

Guiney: Walter was very concerned about the employees, that they would get recognition. We were small at the time and as we grew, he really stayed on top of these things. It's amazing when you think back on it. But that's what made the company unique. It was very close. This is a very difficult thing to maintain as you grow bigger.

Lage: Did it reach a point, as the company grew, where the closeness couldn't be maintained?

Guiney: No. Well, the bigger you get, the more difficult it is. Certainly Bob is doing a tremendous job in what he has accomplished. He's just a great CEO. But it's certainly harder if you're--I think, what are we today--a \$6 billion company as compared with when we were getting up to a million; I remember how exciting that first million was. We got a big bonus, which we received from time to time. The bonus system was marvelous because a lot of firms, I'm going way back now, there weren't many firms that gave bonuses. But at Christmas we always got one and I was the envy of all my friends, and I loved it.

Lage: You picked the right place to come to work, I'd say.

Guiney: You bet I did. Absolutely, my guardian angel was up there looking out for me. I had many advantages here that my friends didn't have. One worked at Standard Oil and another one at Shell, close friends, and they had good jobs. But I had an advantage. I had the edge, absolutely, in working here. Because of the relationships, too. The other companies were just so austere. You would never know management. This one friend of mine at Standard could not believe--In fact, this is kind of a silly story but she was at 220 Bush, I guess it was, and when the top executives would walk into the building elevator in the morning--they had elevator operators in those days--the door would automatically close. They wouldn't wait for anybody else. As I said, it's a silly story but--

Lage: It's reflective of a culture in the organization.

Guiney: Yes. All of us had such a good relationship with the Haases, and that's what made a difference. You had the greatest respect for them, but you also liked them as human beings. That's the key to it.

Lage: Well, it makes you work harder, I think.

Guiney: Oh, absolutely. There wasn't that rarefied air that permeated executive offices that you heard about. And you did in those days and I'm sure it still exists, maybe not to the extent that it did years ago because there was, if you go way back, there was a barrier between management and the employees that definitely existed. But we didn't have it here.

Lage: How long were you here? When did you actually come?

Guiney: I worked for Levi's for forty-five years.

Lage: And you came in forty--?

Guiney: Forty-two.

Lage: Forty-two. So you retired in '87. You really were here for the period of dramatic growth.

Guiney: As I told you, we were a speck on the earth. I don't know what the sales were at that time, probably, because we jobbed, you know, linens and men's furnishings and, I'm not sure, maybe \$6 million total with everything (possibly \$1 million in jeans sales). So, to go from that to--I'm trying to remember what the--well, of course, we're 6 billion today. But I think it may have hit two and a half billion when Walter left his position as CEO.

Lage: You have told me how the two brothers related and had their spheres. Would you describe that? Maybe their different styles and their roles?

Guiney: I think Walter was perfect for his areas of responsibility--marketing and planning (I discussed this earlier)--and Peter with his great affinity for finance and operations. Peter was very interested in production and toured the plants all of the time. He spent the first couple of years at Valencia Street and got to know that face of the business extremely well. So, his expertise was very beneficial as we grew bigger.

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Guiney: They are different personalities, each with his own particular strengths and a tremendous capacity for hard work.

Lage: Do you think that's why it worked out to have two brothers working in tandem?

Guiney: Yes I do. I'm sure that was a contributing factor.

Lage: And you worked for both of them.

Guiney: Yes, for many, many years.

Lage: Was that difficult, to be responsible to both?

Guiney: Oh, at times, maybe, if the work load got heavy. Then eventually I got an assistant. Personalitywise it wasn't difficult for me.

Lage: But you never felt like you had to serve two masters?

Guiney: Oh, of course you do.

Lage: And sort of keep a confidence for one and then something else for another?

An Informal Role as Ombudsman

Guiney: I never had any problem keeping confidence because that's the way I was brought up, that what goes on in the house stays in the house. Your word is your bond and all of those things. I was given very good values. So that was never a problem for me. They didn't talk about each other. There was none of that pettiness. They're really fine men. As I said, the only problem I might have in that respect would be if the work load got heavy for both of them. But you solve those problems. That was certainly routine stuff that you took care of.

Lage: Mr. Haas mentioned to me that one of your great values to him was in alerting him when someone was dissatisfied or had a problem.

Guiney: Yes, I had a pretty good relationship with the employees. They used to call me at home a great deal and confide in me and ask advice from time to time. I thought I had that responsibility to them [Walter and Peter], to let them know when a situation was getting critical or if somebody was in need of financial help.

That's one of the things that I look back on with the greatest satisfaction. When the employees, especially the ladies in the factories, had an emergency--it could have been the death of someone close or illness in the family--they had no place to go for financial assistance. Walter and Peter established a fund. They used to call it the slush fund because there was really nothing formal about it except that money was there.

The manager of the plant would call me and say this is what has happened. We need five hundred or we need a thousand dollars and not repayable, certainly. They would never be in a position to. And they had it within twenty-four hours. It was a lot of money in those days. I can't tell you how gratifying that was, to have had an opportunity to assist in that work because these operators are just wonderful people. They work so hard, and they care, and they're loyal beyond belief.

Lage: And they don't have a big safety net.

Guiney: Absolutely not. And this has continued, and now the fund is established.

Lage: It's not a slush fund anymore.

Guiney: It is no longer a slush fund. No, it has a name. But that went on for years and years, and the Haases get full credit for this one. It's one of the nicer stories. I think I was able to be of help there, I mean, as far as the employees confiding in me.

Lage: Then you'd be in the position of not really being able to break a confidence but still wanting to alert the Haases.

Guiney: I think I was able to do it. I remember when they started hiring minorities. You know there's always one who tries to make life difficult, it seems to me. One day this woman called me and was very upset because this new employee, a minority, had been given a promotion that she felt that she was entitled to. She was wrong. She wasn't entitled to it, because she wasn't as good, you know. She was afraid to say anything because she didn't want to jeopardize her position. So, that's just a little incident, but I was able to work it out with her boss.

Lage: But work it out in what way? You say she wasn't really qualified.

Guiney: No, she wasn't. But there were other things that she could do. Her boss, who happened to be a good friend of mine, wanted to avoid an "incident." By giving her a little more recognition, she was satisfied.

Lage: I see.

Guiney: Oh, there were so many things. I can't remember them now. But I do think that this relationship helped them.

Lage: Were these employees that you knew or would people just know of you and know that they could call?

Guiney: Well, both. Most of them I knew.

Lage: You were an ombudsman in some ways.

Guiney: Well, Walter often called me an ombudsman and that was an important part of my job. It really was. Even though there was nothing in writing about it, you know it's one of the--

Lage: It's not your job description.

Guiney: No, it wasn't, but I felt very strongly about my responsibilities to them in this regard.

The Fifth Generation

- Lage: He also said that you were good at being an ombudsman with his kids.
- Guiney: [laughter] Wonderful children, just the best kids ever.
- Lage: He said they checked the situation out with you before they'd approach him for a loan or something.
- Guiney: They were great fun, very well brought up and again, like their parents, totally unaffected, and warm.
- Lage: Did he bring them around to the office?
- Guiney: Oh, all the time.
- Lage: And were you surprised when Bob came into the business? It sounds like it kind of surprised people.
- Guiney: Not really. It did surprise his father, because he never put pressure on him. But he was very close to his dad, and I just felt that he would some day. I don't know if I even voiced it. But this is a unique family, you know, and here it's the fifth generation, which is unique in itself. I don't know how often this existed in the United States, really.
- Lage: Probably not too often, at least in active management.
- Guiney: That's what I mean.
- Lage: And the company offered the challenges.
- Guiney: That's right. Absolutely.
- Lage: A different kind of company might not have attracted the younger generations.
- Guiney: Oh, definitely. You know, because the company had the reputation that it did, as I told you, they were able to attract all through the years the very best from the graduate schools.
- Lage: Now, every now and then you hear--I'm being the devil's advocate--you hear criticisms. Apparently there were people, former employees, out picketing here the other day. And I understand that Levi's is no longer listed in the book on the hundred best places to work in the U.S.

Guiney: Some of the discontent relates to layoffs. As I said earlier, the world is changing, going into the technology that exists today and the company has to compete.

Lage: Like the robots in the factories that I read about this morning?

Guiney: Yes. It is a matter of survival for companies today. They couldn't make any other decision but the one that they made and survive.

Executive Offices in the Early Days

Lage: How were Peter and Walter's offices set up, in the early days? I mean the physical layout.

Guiney: Well, if you could have seen--there's no way that you could ever imagine what crummy little offices they had. [laughter]

Lage: Tell me.

Guiney: When they came back to the company after the war, we were on the first floor at 98 Battery Street. The shipping department was in the basement, and the entire inventory was stocked on the upper floors--if you can imagine it. To this day I look back and wonder, was it real? Anyway, they built two cubicles for Walter and Peter just inside the front door across from Mr. Beronio's desk. The cubicles had glass tops and were so small that a desk and two small chairs barely fit. There were only two private offices, for Walter, Sr., and Dan Koshland.

Lage: So the cubicles were in the open area.

Guiney: Yes, and they were in that space for years--Walter heading personnel and Peter in charge of production. They did have the title of vice president, but certainly no visible signs of their status. Just unbelievable space.

Lage: It didn't give them much privacy to do personnel interviews or handle problems.

Guiney: No, it didn't. If they wanted to talk confidentially, they would go into their dad's office or somewhere else. But, oh no, because it was a swinging door and people were back and forth. It was--when you think about their positions--horrendous. Everybody was amazed, especially their friends coming in, from their beautiful offices. And they were two-by-fours. I mean it.

Lage: Now, how did that change over the years?

Guiney: In 1957, Howard Friedman came--I am sure Walter must have talked about him, the architect who married Dan Koshland's daughter, Phyllis, a wonderful human being and an excellent architect.

We were moving up in the world. Obviously, with the growth of the company they had to make room for the new employees as they came along. So, in 1957 our offices went from the first floor to the fifth floor at 98 Battery Street, all floors having been converted into office space. At that time, they added a penthouse where they put the cafeteria and the offices for their dad and Mr. Koshland and Argonaut Securities, which handled their private investments. So then Walter and Peter and I had a little section on the fifth floor. It was really very nice. The offices were considerably larger with a lovely view.

Lage: And your desk was outside both of their offices.

Guiney: Yes. We were there until 1973 when we moved to Embarcadero Center.

Lage: So Peter and Walter had those same offices until 1973.

Guiney: Oh, yes, they stayed in those offices. Believe me, they weren't elaborate, but they were in comparison to what they had had on the first floor.

Lage: Were you ever a go-between between them?

Guiney: What do you mean?

Lage: Well, would one say, "Tell--"

Guiney: No. They were really next to each other, and they were very easy, very relaxed. No, not at all.

Going Public, Moving to Embarcadero Center

Lage: Let's talk about the big decision to go public [in 1971]. Would you have any insight into how that came about and what Walter's role was?

Guiney: Well, Walter's the one who would give you all of that.

Lage: I know, but you might be able to fill in a little bit.

Guiney: I was on the sidelines watching it take place. The growth was phenomenal. They wanted to expand, and so they had to go public. I think it was a difficult decision for them, especially the father. This is a man who coveted privacy. But it was something that they knew they had to do. We had mixed feelings with it, great excitement and being on the New York Stock Exchange, certainly financial reward for all of us but at the same time giving up that privacy. We felt it would never be the same, but it stayed the same for a long time. It was really quite wonderful.

But also, I don't have to tell you, it was a headache keeping up with the analysts and being under constant review by them. It's so much better now that it's private again. But they were exciting times. It provided the wherewithal to greatly expand. That's what it was all about. But I don't know how much information Walter gave you on that.

Lage: He did. But I just thought you may have a different light on it or on the conflicts in the family, you know the personal conflicts regarding the decision.

Guiney: Nothing more than what he told you that I would know. There weren't big battles or anything like that. Certainly there were questions and concerns which would be perfectly normal but nothing beyond that.

Lage: Now, the move down to Embarcadero Center came just about that time. That seemed to be kind of a traumatic event.

Guiney: We moved to the Embarcadero in 1973. We'd gone public in '71, and we needed space. We were just bursting at the seams. We thought that would be an exciting move for the company being in a skyscraper and all. But actually there were two banks of elevators so that if you wanted to go down to see somebody in personnel, for instance--we were on the twenty-eighth floor--you'd take an elevator and then get off at the sixteenth floor and then transfer to another bank of elevators. It was such a pain in the neck that you found yourself not doing it as often and maybe picking up the phone instead of having that personal contact. That's what was missing.

Walter noticed that, and it was really upsetting him. That's when he decided that he was going to build a spot for everyone to be together. You know what happened then with Gerson Bakar, when he was on that camping trip.

Lage: It's such a beautiful headquarters now, and it is interesting how the architecture allows or disallows a certain kind of company culture.

Guiney: Oh, absolutely. It's so marvelous in the warm weather to see the employees out in the park. They built that beautiful park and gave it to the city. And to see the employees enjoy to the fullest, and their families coming down here. And of course, the people in San Francisco just loving it. Frequently, on a weekend if you come by you'll see bridal parties taking photographs. Beautiful surroundings. It has worked out very well, really. There's great pride in it.

Mel Bacharach and Art Roth

Lage: You mentioned Mel Bacharach.

Guiney: He was very important in the firm. He was a maverick, did some marvelous things, introduced Sta-Prest.

Lage: Now, when you say he was a maverick, what do you mean?

Guiney: He was always trying new things--even orange, lemon and lime jeans, for instance.

Lage: That was his idea?

Guiney: Oh, yes indeed, it was hysterical.

Lage: Yes, that must have set the old timers on their ears.

Guiney: You can imagine the colors. Anyway, Mel was an excellent executive and made some very important contributions to the growth of Levi's.

Lage: Sta-Prest. Do you have anything to add to the story of how that came about?

Guiney: Well, I am sure Walter explained that to you--that Koret had the patent on it or on a similar process, and Mel became very interested in the idea and went to Walter. I remember it cost a million dollars to build the equipment, which at that time was astronomical. Anyway, Walter gave him the go-ahead.

Lage: Now that's an important thing. It seems illustrative of the willingness to take risk or have faith in your executives.

Guiney: Oh, absolutely.

Lage: And was certainly with the company for a long time. Now, is there anyone else like that?

Guiney: Well, Art Roth made some wonderful contributions. He was hired out of Stanford. Mel came from Berkeley. Art was in advertising for a number of years and did some exciting things. We were, as I said, we were so small and very cowboy.

Lage: Yes, I've seen some of the ads emphasizing the cowboy look.

Guiney: Very cowboy-oriented.

Lage: Would he have been one of the people who thought about attracting the youth market?

Guiney: Oh, yes. He and Mel worked with Walter with the idea of getting to the youth and producing garments for leisure wear. I remember we had faded blue denims, casual pants, and that was our first entrance into the casual market. That's when we made that giant step forward.

Then Art went from advertising into sales and became very successful, and went back east. We were not known in the East at all. We were strictly western. Our first breakthrough in the eastern market came when we contracted with the J. A. Lamy Manufacturing Company to make Levi's--and also had their sales organization represent us. Cracking this market was a tremendous accomplishment. Art became regional manager and eventually the level of acceptance of Levi's products was astounding.

Toughness and Decisiveness, Two of Walter's Outstanding Qualities

Lage: Now, you mentioned that Mr. Haas is tough.

Guiney: Yes. He was tough when he had to be tough.

Lage: He doesn't come across as tough. He comes across as your ultimate nice guy.

Guiney: He is an ultimate nice guy.

Lage: Can you think of an instance that would illustrate this quality of toughness?

Guiney: Well, he'd be tough if an executive were to bring him a suggestion or a plan that he didn't approve of, that he really didn't believe in. That was it. He wasn't Mr. Nice Guy then. Unless he felt that it should be given a chance--now, that's something else again. But if he really didn't want something done, he was very emphatic about it. He was very strong. And certainly he did not suffer fools easily.

Lage: Were decisions made in a group, or was it Peter and Walter, or would it be the top executives who made the key decisions?

Guiney: Well, depending on the issue.

Lage: Would you recall anything about the decision on Sta-Prest, for instance. Would that have been just Walter and Mel or would that have been discussed more broadly?

Guiney: I believe Mel brought it to Walter. The decision was his and Peter's to go with it. But Mel reported directly to Walter. That was a top management decision. With that kind of an expenditure, it would have to be. Some people had wild ideas about what we should do and where we should be going. Top management made the decision on that. Absolutely.

Lage: So, they listened.

Guiney: Oh, definitely. Yes, and especially in Walter's--that was Walter's area so he was responsible as Peter was in finance and operations. They of course conferred with each other on major issues.

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Lage: I know that Mr. Haas did a lot of work in the community. He talked about the National Alliance of Businessmen, in particular.

Guiney: Oh, he was very committed to NAB and took great pride in their accomplishments, and was very involved in the community.

Lage: Was that part of his work day at Levi Strauss?

Guiney: Yes. I'm sure that, you know, there were certain things that went on at night. But most of it was during the day. And they were very involved. Well, that's part of their heritage, you know, their father, and their mother was, I believe, the first woman president of the Board of Trustees of the San Francisco Museum of Modern Art. And of course, their father had a marvelous career as well with his directorships. Walter, I don't have to tell you, became a director of Pacific Bell, United Airlines, a trustee of

Ford Foundation, and the Trilateral Commission. He was involved in numerous projects--I think his decisiveness made the enormous activity possible.

Lage: Illustrate that if you can. In what way did he show his decisiveness?

Guiney: Well, you know, there are people who have a difficult time making decisions. Adlai Stevenson was supposed to be one. Walter did not. Something was presented to him and it needed a decision. After deliberating a sufficient amount of time, he would make that decision and move on. I think that's one of his real strong points.

Lage: That's probably something very crucial to management style and success. And he would move on, you say?

Guiney: And move on to the next situation. Very definitely. He was strong. My concern with this oral history is that, because he's so modest, his strength might not always come through in his words.

Lage: It helps if we have an instance to illustrate the abstract quality, you know.

Guiney: Well, we talked about Sta-Prest. He had to make a decision, yes or no. That's what I'm saying. It wasn't--

Lage: Some people would just fuss with it forever.

Guiney: Oh, that's very common. It's very common with executives. Not your top people as a general rule, but there are many intelligent people in business who have a difficult time doing so. But that was never a problem with him. That doesn't mean that he didn't worry. I'm sure he had his share of that. Anybody would at that level. But he--how can I say this? He would deliberate a certain amount of time. He would look at the problem or situation from every angle, make a decision and move on. I'm repeating myself but that's the way it was. Every major decision that was made comes into this category. Let's face it. Going public, expanding distribution, any new idea, our entry into the casual market, do we stay as we are, we're growing. Levi's jeans has always been tremendously successful and so, you know, what are you looking for? How far do you want to go? So all of these--

Lage: Was he an information gatherer?

Guiney: Oh, he wanted the information brought to him as concise as possible.

- Lage: Tell me about that.
- Guiney: He just dreaded these reports that went on and on. He knew some people are given to--
- Lage: Did he ever have you summarize a report?
- Guiney: No. Those reports were summarized when they came to him. But he would collect the information, absolutely, the pros and cons on whatever it was and then make a decision based on that.
- Lage: Did his managers feel free to come to him?
- Guiney: Absolutely, very accessible. Never a problem there.
- Lage: That's important.

Maintaining a Family Atmosphere at Levi Strauss & Co.

- Guiney: Levi Strauss was a different atmosphere, you have to remember, too. It was family, unlike--
- Lage: Did you feel that a great deal, the family nature of it?
- Guiney: Oh, absolutely. We all did and loved it. That's what made it special.
- Lage: Was it because the employees themselves were kind of enclosed in the family?
- Guiney: Well, we felt very close to management. You always felt you could go to them. You could go to Walter and Peter with any problem. They always had time for you. As we were getting bigger and bigger, and it was becoming more difficult, I was able to sort of zero in on what was important and what wasn't.
- Lage: Sure. So, were you a gatekeeper, in a sense?
- Guiney: You might call it that.
- Lage: That's a very delicate position.

Let me just ask you one other thing that I'm wondering if we have shown. Did Walter have a delicacy with handling people? For instance, I'm sure there were times when one executive would feel overridden, or they didn't get promoted, or the outsider came up.

Did he have a way of making that person feel part of things, or how did he handle that?

Guiney: He was very good with people always, and if somebody didn't get the promotion because he wasn't qualified, it hurt him a great deal. But he knew it.

Lage: He knew he could do it.

Guiney: Oh, absolutely. Very strong in that area. He did what he had to do. Never mistake that. He had a very nice way with them, but people knew that once he made a decision it was to stand. That doesn't mean that they couldn't go in and talk about it. They could discuss it. He would always listen, always listen. But his decision was final.

Lage: Did he have a way of softening the blow?

Guiney: Most of the time. I thought he handled those situations extremely well. And when you're dealing with personnel, it can be difficult.

Lage: And long-time employees.

Guiney: They really were good to long-time employees, as I look back on it. And people stayed here forever, as you can see. That's not going to happen anymore. I was listening to a psychologist talk the other evening. He said that people will change jobs three and four times--careers--three or four times in a lifetime, now. So, you won't have that any longer, which is sad in many respects.

Passing on Family Values in a Complex Corporate World

Guiney: The world is changing. Technology is changing everything so rapidly. Then, of course, they say in the future, people will be working at home maybe two or three days a week.

Lage: Tied in by computer. I thought of this trend when you were saying how the Haases preferred to see people in person rather than pick up the phone. Now you communicate by e-mail.

Guiney: That's it. So you can imagine how far it's gone and how much further it'll go.

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- Lage: I think it's interesting, just briefly, to get your sense of how things are changing now, or staying the same.
- Guiney: Oh, it's changing very rapidly. As I said, the technology itself is changing the whole world. Management is different today than it was years ago because it's by committees now, by teamwork. It's totally different. Years ago, Walter or Peter would make a decision, and that was it. But that's not true in all businesses today.
- Lage: Does Bob Haas operate that way?
- Guiney: Well, yes, with his team. Bob definitely makes the final decision; it is his responsibility, but it's in conjunction with others. They even have it in factories now. You know, it's all team effort throughout the entire organization.
- Lage: They have it in schools. Kids are learning that in schools.
- Guiney: Yes, it's a different world. But Bob's caring for people is still the same, caring to get them as many opportunities as possible and by exposing them to various programs to broaden their horizons, to enrich their lives, to be able to work more closely with the person next to you, who might have a different color skin or a totally different background, being able to appreciate that individual for what he or she is.
- Lage: It sounds like the values have traveled down, but the means are different.
- Guiney: Absolutely. They have. The values have traveled all the way down, and it's rather amazing when you think of how the parents did it, having had all the exposures to wealth and prominence. But they were able to accomplish it. It's very evident when you know the children. And their children are being brought up the same way.
- Lage: Really. You see that, too.
- Guiney: Yes. Really nice kids, totally unaffected. They're very involved with their children's lives, more so than earlier generations. I remember Walter saying that while they were growing up his parents were caring but not that involved.
- Lage: One thing I've enjoyed in Walter is that several times he had shown how his children influenced him. And it seems very sincere.
- Guiney: Oh, very sincere.

Lage: He's a person who listens.

Guiney: Very definitely. His family was always number one and they had a definite impact on him. I have often thought that no matter which category--"genes" or "jeans"--Walter has a remarkable record of achievements, having guided the cowboy's tailor from relative obscurity to international fame, and leaving him in good hands. I must say it was great fun for me to go along for the ride.

Lage: Thank you for lending your insights to Walter's oral history.

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OFFICE OF THE CHANCELLOR

BERKELEY, CALIFORNIA 94720

June 22, 1993

Mr. Walter A. Haas, Jr.
2666 Broadway
San Francisco, CA 94115-1147

Dear Wally:

The University of California celebrated its 100th anniversary in 1968, with the publication of a book called There Was Light. The book was edited by Irving Stone and contains 39 essays written by prominent Cal alumni about their university training, its effect on their life's work, and their thoughts upon entering the university.

In celebration of the University of California's 125th anniversary, Mrs. Jean Stone, wife of the late Irving Stone, has generously offered to update the book. Accordingly, we would like to add new autobiographical essays written by alumni who represent a wide range of disciplines, interests, and backgrounds to reflect the enormous impact that Berkeley has had on the world.

I would like you to consider writing one of the essays for publication in the new edition of There Was Light. Your name was selected following recommendations made by faculty, alumni, and other friends of the campus.

The original edition contained reflections by such notable alumni as John Kenneth Galbraith, Glenn T. Seaborg, Jackie Jensen, Ralph Edwards, and Rube Goldberg. In updating the book, Mrs. Stone will retain some of the original essays and add about ten new pieces.

Mrs. Stone has requested that essays be original and no longer than 3,500 words in length. A sample of one of the essays from the previous edition is attached for your information. She is willing to talk to you personally about your ideas and can be reached at (310) 274-0913.

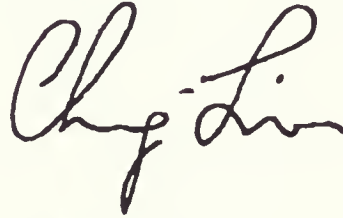
Essays should be completed by August 31, 1993 and sent to: Mary Keegan, University Relations, 2440 Bancroft Way, Berkeley, CA 94720; telephone (510) 643-6428. The essays will then be forwarded to Mrs. Stone who will edit the manuscripts. The book is scheduled to be published next year.

4

"This book is a labor of love," Irving Stone wrote in the first edition's introduction. I hope you will look upon this request in that spirit.

I would appreciate knowing as soon as possible if you feel that you can participate in this exciting project, and I look forward to reading your essay!

Sincerely,

A handwritten signature in black ink, appearing to read "Chang-Lin". The script is fluid and cursive, with the first name "Chang" and last name "Lin" clearly distinguishable.

Chang-Lin Tien
Chancellor

Attachment

August 30, 1993

Autobiographical essay
submitted for new edition of
There was Light

Having attended a small "progressive" grammar school where each student was allowed to advance at his or her own pace, I entered Galileo High School in San Francisco a couple of weeks before my twelfth birthday. I was unprepared for the educational and social pressures of a large public school and an easy target for the tough kids who were older, bigger, and wiser than I. It was a difficult period, but after losing one semester to illness and staying on after graduation to take courses in shop, I was able to enter Cal when my age was almost comparable to those of my classmates.

Nevertheless, because my life at home had been sheltered and because I was immature, I was initially overwhelmed by the size of the campus at Cal, the new responsibilities I was expected to take on and the new experiences I encountered all around me.

My parents gave me an allowance to cover tuition, books, room and board, clothing, recreational activities, and charitable donations. It was my first experience with managing what were then (for me) large amounts of money, balancing a check book, and living within a budget. All of this while I was adjusting to being away from home for the first time and coping with the mysteries of a large and bewildering environment where I had to learn everything — how to find my way around, shop in the A.S.U.C. store, do what was expected from me in R.O.T.C., use the library, and try to keep up with my studies and make the freshman tennis team.

Yet despite these and other struggles, my four years at Cal were among the most important and happiest times of my life. During that period I grew in every way, made life-long friends, and developed an abiding pride and love for the University — which I hold to this day.

I continue to be amazed at the depth of the loyalty and commitment so many graduates have to what some consider a large and impersonal state University. Through the years I have searched for an answer from others who share the same feelings I do about Cal. Certainly there is pride in having attended one of the finest teaching institutions in the world — in its outstanding faculty and curriculum and its adaptability to changing conditions. But there's something more important that binds me to the University though I have yet to figure out exactly what it is. Surely having been a part of the University family for four years is at the root of this feeling, but I still can't explain why it has created a tie that is so strong and unique.

I'm not the first Haas to feel this way. Cal is a part of our family history. Both my grandfathers attended Cal — though I'm not sure that either of them graduated. Dad was a distinguished alumnus; and our son, Bob, carried on and improved upon the tradition. He graduated Phi Beta Kappa and was valedictorian of his class. Then, our daughter Betsy showed great courage by going to Stanford. Later, she partly atoned for this traitorous act by graduating from Boalt Hall and also earning her teaching credential from Cal. She and I still have an annual bet of \$1.00 on the Big Game, which at this writing appears to be a foolish wager on my part, albeit a sensible amount. My son, Wally, went to college elsewhere but is an enthusiastic supporter of the campus and its athletic programs.

During my first two years I lived comfortably at Bowles Hall, and then I was invited to become a member of Alpha Delta Phi. As their first Jewish member, I hoped that by joining, I would help open the doors of other fraternities as well. Doing this has been something of a pattern in my life — helping to broaden the membership policies of several private clubs.

In my years at Cal, few of us challenged authority. We had been brought up to respect and follow the traditions and values of our elders — so teachers, policemen, or people in positions of responsibility were not questioned. It was a time that was light years away from the student protests and activism that were the hallmark of my children's days in college.

In 1934, at the height of the Depression, there was a general strike in San Francisco. Absolutely all services were closed down for the first and only time in the City's history. It was a major economic struggle; but many of us on the campus were indifferent, and unaware of the basic issues. We believed what we read in the local newspapers — that this work interruption was caused by that communist, Harry Bridges, and his followers.

A few of our more socially conscious classmates volunteered to help the thousands who were out of work. A close friend then, and a dear friend now, Jean Haven, skipped classes and spent hours in a soup kitchen to assist strikers. At that time, we couldn't understand her motivation.

I remember certain professors with great fondness — Ben Lehman in English, Robert Kerner in History, Ira B. Cross in Economics, and of course our Provost Monroe Deutsch was universally and affectionately admired by all the students.

But classes were large and impersonal, and I didn't avail myself of the great opportunity to personally meet with my professors or get to know them socially. I was somewhat in awe of them and rather shy about taking the initiative — which was my loss. I did get to know Scott Wilson, however, the resident manager of Bowles Hall; and Garff Wilson who worked in Administration and knew everybody in the university.

My most meaningful experiences at Cal came in non-traditional ways, not through classroom learning. I had been an honor student in high school without having to study too hard. When I moved away from home and into the dorm, I quickly discovered how much I enjoyed the social life and extracurricular opportunities on the campus. I attended classes regularly, but didn't apply myself. My report card at the end of the first semester was about 50% Cs and 50% Bs which seemed okay to me. When my father saw my grades, much to my surprise, he blew his top. He said he wasn't going to spend his money on my education if I didn't want to receive one, and he would take me out of school if I didn't show improvement. Lesson learned. I raised my grades and managed to graduate as an Honor Student.

One day a group of seniors visited me in my dormitory room telling me a great injustice was being done to a fine professor who was being disciplined. They assured me that the professor was an excellent teacher, admired by his students, and was being unjustly penalized for political reasons. They presented a petition for me to sign on his behalf, and I complied.

Some weeks later, I received a call asking me to come to President Robert Gordon Sproul's office. Knowing he was a good family friend, I thought he probably wanted to ask me about my first impressions of the campus as a freshman. He was most cordial in greeting me, and the visit began quite pleasantly. Then, he asked me to tell him my impressions of a particular Professor. I told him I wasn't in any of the man's classes and had never heard of him. When he showed me my name on the petition on behalf of this same man, I was mortified; and I've never signed anything of importance since, without reading it first.

I also remember well an incident involving another close personal friend of my father's, Professor Henry Grady. Grady was a great teacher and later Under Secretary of State and author of our international free trade policy. I enrolled in one of his courses my sophomore year. When I took the final, I put a self-addressed card in the blue book we used for final exams. In those days, the reader would mail out the grade well in advance of official notification from the University.

I thought it would be fun to tease my father by making him think I had failed the course, so I mailed another card to myself (with an F) knowing it would arrive at home before the real one could be received. My father was furious! "How could you embarrass me by flunking a course given by my best friend?" he asked. He railed and ranted and was so upset that I truly regretted what I had done.

But of course the joke ended up on me, because I began to wonder about how I had really done on that damned test. Would I end up with an F or a D, which would only make my father angry all over again? I fretted and fumed and worried for about two weeks and blamed myself for a stupid and uncaring prank. You can imagine the relief I felt when the official card arrived with a B in the course, but I don't think Dad ever fully forgave me.

During my sophomore year I decided to try out for the Daily Cal. Without any journalistic aptitude, it seemed my best chance would be to secure a position on the business side of our student paper. My first assignment was to try to get ads. It seemed to me my best prospects were the landladies with available rooms near the campus. I had expected the work to be tedious, but it proved to be depressing as well. I found myself soliciting from people in obvious economic need; yet, I wasn't sure that the ads would produce results. I was uncomfortable whenever I succeeded in making a sale because I felt I might be taking badly needed money to no avail. I quit the paper after only a few weeks, but I have never forgotten that you can only sell if you believe in the product and can only succeed if you are comfortable with what you are doing.

I was part of one other commercial venture while at Cal — my investment, with four others from Bowles Hall (Bob Coop, Bob Millen, Stan Brunsten and Stan Blush), in a 1916 Pierce Arrow Phaeton. It was beautiful and provided us transportation, as well as a lot of fun. We bought it for about \$25.00, but it was hard to keep it operating — especially to keep it in parts. This model was already 20 years old, and dealers had no inventory. We had to go to the junk yard to try to find replacement tires.

When we needed money for expenses, we'd bank a roulette game in one of our rooms. We rotated the "bank" among the five of us, while the other four would knock on dormitory doors to get enough players to assure that the odds favored the bank.

We also used the car to conduct a limousine service, with driver and footman (equipped with blinders) available to other students who wanted to make an impression on their dates. This small business was successful for several months until the Pierce Arrow just broke down and couldn't be repaired any more. It was a sad day for the five of us when the car was hauled away to a junk yard. We were paid \$50 for the aluminum in the chassis, however, the first capital gain for all of us!

While my affection for the Pierce Arrow was only temporary, I was obsessed throughout my four years at Cal with trying to make my Big C in tennis. I was something of a jock, and tennis was my best sport. I had won a few minor club championships and even a junior city title in San Francisco, so I was reasonably confident about my prospects, not realizing how limited my exposure had been to real competition.

I did manage to earn my freshman sweater by winning a doubles match against Stanford and proudly wore it throughout my sophomore year.

But reality set in when I tried to make the varsity. There were several players with considerably more ability than I possessed. I kept training, practiced long hours year round, yet, here were fellows with whom I could barely compete. Having achieved practically everything I had aspired to in the years until then, it was a shattering experience. I had to learn that even if I worked very hard to reach future goals there was no assurance they would be attained!

What a glorious time it was, however, as I struggled to be a member of the varsity squad, trying to become a participating member in intercollegiate matches. There was individual heartbreak and occasional triumph, and my mood was always tempered by the fortunes of the team — with some of whom I still maintain occasional and happy communication.

My heart was broken during my sophomore year when I was asked to play a practice match against a senior to determine who was going to make the travelling squad to go south to play U.S.C. and U.C.L.A. At the time, making the trip was the most important thing in my life. I won the crucial contest in straight sets and savored not only the great achievement, but the likelihood that I could be a member of the varsity group for the next two years.

It's difficult to describe my deep disappointment when the next day our coach took me aside, put his arm around my shoulder and told me he had decided to take the fellow I had beaten instead! He explained that my rival was a senior, it was his last chance for such a trip and that I had two more years remaining in my career. It seemed like a very unfair decision to me, and I came close to quitting. I couldn't accept his decision, and it was a long time before I could rededicate myself wholeheartedly to the team and its success. Remarkably, the coach and I remained good friends throughout my remaining years at Cal and for many years thereafter.

There's also a happy ending to the story of my struggle to earn a varsity letter. I continued to be a marginal member of the squad, calling lines and matches, and occasionally getting to compete when the outcome was already decided. Our final match of the season was against Stanford; and when I learned I was going to play second doubles, I realized that the Big C was mine and that all the hard work and determination had paid off! Nobody in the history of the Big C Society could have been prouder or more grateful than I was at that moment!

Actually we had a remarkably fine team, winning both the Pacific Coast Championship and the Intercollegiate Championship during both my sophomore and senior years. In a 1937 edition of Life magazine, listing universities nationwide who were noted for excellence in different sports, Cal was recognized for having been preeminent in tennis. It made me proud even to have played a small role in earning that distinction for our University.

I have always had a great interest in sports of all kinds. They help build character and help individuals cope with difficult situations. Some of my friends, however, have questioned this enthusiasm and judged it to be misplaced.

I used to commute to work in San Francisco from the Peninsula, always sitting next to one of these people. On the train we'd each read our newspapers. He constantly criticized me for looking at the sports page first, saying that someone with my responsibilities should begin with the front or the financial page instead. I said that I didn't think it made a difference since by the time we got to our destination, I completed reading the entire paper. For some reason this didn't satisfy him. Then one day I came across a quotation which ended the discussion. It said, "The sports page is an account of man's triumphs while the front page is an account of man's failures." Perhaps that's why I'm so intrigued by sports.

I continue my great interest in Cal sports to this day — with seats in the press box to all the football games (with former Chancellor Roger Heyns) and season tickets with classmates to all the basketball games. We miss very few games; and except for the years I was in the service during World War II, I believe I have attended every Big Game since 1923, a 9-0 Cal win, when I was seven years old.

It has been a joy to reflect back on my years at Cal and try to recapture the highlights of a happy growing and learning experience. There were struggles the first year and then increased maturity and confidence as the months passed. Senior Week and graduation suddenly came much too fast, and with them, a major wrench as we realized that shared experiences and pleasures would be no more.

From Cal I went to Harvard Business School where I met Evelyn Danzig, who was attending nearby Wheaton. We were married 53 years ago and now have a wonderful family of children and grandchildren who make us proud.

After 52 months in the army during World War II, I joined the family business, Levi Strauss & Co., and participated in its phenomenal growth from a small western wholesaler and manufacturer to the largest apparel company in the world. I also sought to honor a family tradition of helping the company be a model employer and an exemplary corporate citizen. What we accomplished to improve the work life of our employees and to serve our communities are the proudest memories of my many years in business.

For my second career I bought a professional baseball team — the Oakland Athletics — to keep them from moving to Denver. My son and son-in-law took what had been a troubled franchise and built it into one of the finest organizations in baseball — winning our division four times, the American League three times, and the World Championship once in the past four years.

Through the years I have also served on the boards of several major corporations, government commissions, and civic and philanthropic organizations. My twelve years as a Trustee of the Ford Foundation gave me an awareness of the world's problems and how difficult it is to really make a difference, even with large infusions of money. The experience that really changed my perspective, however, came when President Lyndon Johnson appointed me Regional Director and Executive Committee member of the newly formed National Alliance of Businesses in 1968. Our role was to find jobs for 500,000 virtually unemployable people — those who had been to prison, had substance abuse problems, or poor education. We accomplished our goal through the unprecedented collaboration of business, labor, and government. This experience taught me that through dedication and ingenuity business can help solve major societal problems that until then I had thought were primarily the responsibility of government. I feel that many of society's present ills could be addressed successfully by using this formula again.

I also have been fortunate to receive many honors and awards, but the ones I treasure most were being chosen Alumnus of the Year in 1984 and then being awarded the Berkeley Medal in 1991.

I have been blessed with a wonderful family and a long, happy, and rewarding life for which I am extremely grateful. There is no doubt in my mind that my four years at Cal helped form the values and aspirations that helped make this possible. I suppose that's as close as I can get to explaining why my heart skips a beat every time I hear the Cal marching band strike up "Our Sturdy Golden Bear" and why I will always be a loving, loyal and grateful Cal alumnus.

Walter A. Haas, Jr.
1155 Battery St.
San Francisco, CA 94111

VMB, INC.

VENTURE CAPITAL

MEL L. BACHARACH
PRESIDENT & CHIEF EXECUTIVE OFFICER
TELEPHONE (415) 456-4414
FACSIMILE (415) 456-1428

Letter from Mel Bacharach on
growth of Levi Strauss & Co.

August 2, 1994

Walter A. Haas, Jr.
Levi Strauss and Co.
1155 Battery Street
P.O. Box 7215
San Francisco, CA 94120-6950

Dear Wally:

At the recent "A's" game you asked if we would drop you a line outlining our thoughts on why Levi Strauss and Co. grew so magnificently from the end of World War II until now. I apologize for the delay in responding but have found the response to be more difficult than I had first anticipated. At any rate, I am going to do two things. First I am enclosing a few letters that I have taken from my files. They may assist you by jarring your memory regarding decisions made many years ago. I would appreciate it if you could return them to me after you have a chance to review.

Next, I am going to follow this paragraph with a short list of occurrences, decisions, etc., that I feel were instrumental in the development of the company. As you know, I joined the company in 1948 (the total volume of the company the year before was \$12 million) and I was recalled by the Navy on March 1, 1951. For that reason some of the correspondence prior to 1951 that I would have retained was lost during the moves that Vera and I had to make. My list is also limited to the period from 1948 to 1979 when I retired.

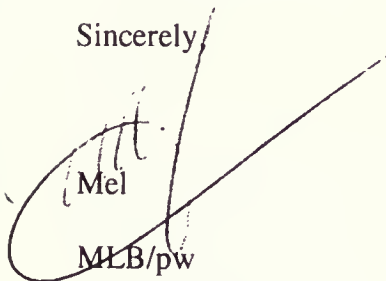
1. You made a decision in 1948 (and convinced your father and uncle of its value) to start hiring college graduates and MBA graduates. I was fortunate enough to be one of the first two individuals to be employed under this program. Many of the current management group at Levi Strauss & Co. are products of that program including the current president.
2. Levi Strauss had in place when I joined the firm an Employee Stock Purchase Program which I feel was an outstanding means of rewarding employees for the job they performed and helped build employee morale and loyalty.
3. A decision was made in 1949 to discontinue the "Jobbing Departments". This decision allowed the company to concentrate its resources, both financial and human, on developing the more profitable and important products which we manufactured ourselves. It was an outstanding move and took a lot of intestinal fortitude and foresight.
4. William (Bill) Lagoria, with your encouragement and "pushing" administered a very aggressive policy of developing new sales territories and dividing old territories. This program maintained a steady sales growth throughout the 40's, 50's and 60's.

5. During the late 40's a decision was made to join forces with the Lee Weinberg Sales Organization and later to incorporate them into the Levi Strauss & Co. organization. This gave us a sizeable increase in our sales force and expedited our penetration into the mid-western and eastern sections of the United States.
6. In conjunction with the above a contractual agreement was reached with the JA Lamy Co which provided us with much needed production in the mid-west for distribution in the market served by the Weinberg Sales Organization. In addition to the agreement with Lamy production units were purchased in El Paso, Texas and Wichita Falls, Texas which kept our production capabilities running parallel with the development of the marketing program.
7. In the mid-50's your father, your uncle and you authorized an exploratory trip to Europe by Bill Lagoria, Art Roth, Max Katzburg, and myself. I feel that the results of that trip and the encouraging reports which we brought back led directly to the development of the International Division of the company. That transformed the company from a strictly domestic program to one of international scope.
8. During this same time frame a decision was made to purchase GWG in Edmonton, Alberta, Canada. This was our first venture into the realm of a subsidiary company operating outside of the United States as well as operating production units outside of the 48 contiguous states. It not only led to our domination of the Canadian market but also taught us many lessons which were invaluable in expanding the international program.
9. Along about that time we purchased Overman Manufacturing Co. The purchase of Overman not only increased our production capacity for the mid-western and eastern markets but also provided the company with invaluable know-how in the production of products other than jeans. Their experience and knowledge in the production of casual sports wear and work pants (Tab Twills) provided us with the ability to produce a much wider range of products.
10. In the mid-60's a decision was made to separate or split the jeans and casual merchandising programs. Again this allowed the company to concentrate on those products that had the greatest sales and profit potential. As these programs developed a secondary and very difficult decision was made to discontinue the Western Wear Department. The opposition to this decision was very strong but the decision was right.
11. The separation of the jeans and casual or sportswear departments allowed us to develop two very strong product lines. Complementing the Levi's 501's was the program of white Levi's and corduroy jeans. You won't remember this but I certainly do. As Casuals Merchandise Manager I developed and wanted to introduce a khaki jeans item which was subsequently known as white Levi's. Mac Gaffney objected to the introduction of the item by the Casuals Department and you and Martin Kulick decided (over my very strong objections) to allow the Jeans Department to introduce and market the product. It teed me off-----but I have to admit that it was the right decision.

12. The Casuals Department had progressed from the late 50's to the early 60's at a steady but unspectacular growth. In the mid-60's I came to you and asked for an authorization to spend a million dollars developing a permanent press program based on a patent which was held by Koret. Either I was a good salesman or you had a great deal of confidence in my ability or we were both naive as to the potential gamble, but at any rate, your decision to authorize the expenditure led to the development of the Sta-Prest program. I am of course, proud of what we accomplished by that program as I feel it is one of the best marketing programs ever developed by a soft goods manufacturer.
13. The aggressive pursuit of mechanical engineering programs and R&D to develop cost reducing, labor saving devices was, in my opinion, one of the very strong elements in the development of Levi Strauss and Co. I can still remember the lady with a sledge hammer at the Valencia Street factory spitting out, inserting and hitting the rivets in a monotonous, and I am sure exhausting day long effort.
14. With the success of the Permanent Press Program we started Levi Strauss Hong Kong along with the Tang Family as our partners. Although the Permanent Press Program was not an outstanding success in the colony, it did give us a sound base for the development of the Levi Strauss & Co. program in the Far East. The subsequent purchase of the Tang Family's interest in Levi Strauss & Co., Hong Kong fit with the long term philosophy of the company and was an excellent strategic move.
15. In the 70's you made a decision to accelerate the advertising and promotion of Levi's 501's in order to maintain the market position of that product. The success of that decision cannot be over emphasized.

Wally, the above is far from a complete list of the leadership and decisions that you and Peter made or participated in during my 31 years with the company. However, I hope that it will assist you in putting together your own oral history of your time at the company. If I can be of any further help, please let me know.

Sincerely,



Mel
MLB/pw

P.S. I almost forgot the program that allowed us to penetrate and dominate the discount market in Fort Worth, Texas when we blitzed the market with 36,000 pair of Orange, Lemon and Lime Spikes (for \$1.00 a pair). A triumph!

◆ RESOURCES

Reading Packet:

To ease your research burden, reading materials and extensive bibliography will be available before winter break. Contestants can give presentations based on the reading packet alone, or they can combine this reading with their own research. Copies are available for purchase at \$5 each in the CRM Program Office, 571 Barrows.

Panel Discussion:

In February, a panel discussion on the topic will take place before the preliminary round and will include business school and other U.C. faculty, and corporate representatives. This is the best opportunity for contestants to exchange ideas and develop a focus on pertinent viewpoints of the broad subject. All students interested in competing are strongly encouraged to attend this meeting.

Videotapes of Prior Years' Speakers:

Limited copies of previous years' presentations are available for viewing on a sign-up basis. Arrangements can be made in CRM Program Office, 571 Barrows, 643-5316, or S/F MBA Program Office, 642-1406.

Communications Group (44 Barrows):

The Haas School Communications Program staff are available to assist contestants in improving the delivery of their presentations through individual coaching and constructive critiques of their videotaped speeches. Call the Communications Group, 643-8005 to make an appointment.

◆ RESOURCES (cont'd)

Faculty in the Program in Business and Public Policy are also available by appointment to discuss the topic individually with participants.

◆ FOR MORE INFORMATION

Contact Mindy Ha, program coordinator,
Center for Research in Management Program
Office, room 571 Barrows:

Office Hours M-Th 8 a.m. - 4 p.m.

Phone 510/643-5316

Fax 510/642-2826

E-mail ha@haas.berkeley.edu

MBA coordinators -- TBA

HAAS COMPETITION



The MBA Public Policy Speaking Event

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Appendix E

Haas Competition
Announcement

sponsored by

The Business and Public Policy Group
Walter A. Haas School of Business



Center for Research in Management
University of California at Berkeley

Announcements & updates
will be posted on your e-mail,
in *Cal Business Weekly*, and
in the Haas Competition display
case next to 360 Barrows,
near the Haas Room.

◆ OBJECTIVES

Haas Competition - the business school public policy speaking event - plays an important role in the MBA program at UCB. The annual contest affords students an opportunity to explore current public policy issues and to demonstrate their problem-solving and communication skills. Under the direction of the Program in Business & Public Policy, the event also provides a public forum for stimulating discussion between the Haas school students and the business community. Since 1979, this major business school event has been funded by the Evelyn & Walter Haas, Jr. Fund. Students from both the day and evening programs are encouraged to participate.

◆ TOPIC

In early October, Haas School faculty and MBA students are asked to suggest current public policy issues that they would like to see investigated and addressed. Then, the Business and Public Policy committee receive the suggestions and select a topic. Once the topic is selected and announced in *Cal Business Weekly*, interested MBA students can sign up by filling out an entry form.

Previous topics include the economic & social issues in corporate downsizing, the role of business in education and employee training programs, corporate impingement on employees' privacy, the manager's role in assisting employees to balance their careers and families, and environmental issues.

◆ TO ENTER

To sign up, pick up an entry form from the CRM Program Office, 571 Barrows. Fill out the form and return it to 571 Barrows. Reading packets will be available for pickup before the winter break. Two information meetings will be held in December and January to provide orientation. It is important that interested students attend one of these information meetings. Bring lots of questions.

◆ COMPETITION FORMAT

There is no written requirement. Speakers are allowed a 15-minute presentation, followed by 10 minutes of questions from a judging panel. Each student will be videotaped so that they may review their presentations and/or have them critiqued.

◆ COMPETITION SELECTIONS

At all three stages of judging, speakers are rated on their understanding of the issues, successful presentation style and content, and effective responses to questions.

Preliminaries:

This round is held the last week of February on Berkeley campus. It is open only to each speaker and the judging panel. Judges include Ph.D. students in the fields of organizational behavior and business and public policy and Haas faculty. Selected contestants advance to the semifinal round. Business attire is recommended.

Semifinals:

This round takes place middle of March, also on campus. It is open to a limited audience invited by the speakers; but questions will not be taken from the audience. Faculty judges choose three finalists and an alternate speaker for the final event. Business attire is recommended.

Finals:

Three finalists compete in this round, which is judged by an expert panel of corporate and community representatives. The alternate speaker will deliver his/her presentation if one of the finalists cannot make it.

The final event is held in April at the Main Auditorium at Levi Strauss & Company headquarters in San Francisco. A catered wine and hors-d'oeuvres reception precedes the speaking contest. Bill Hasler, Dean of the business school presides as master of ceremonies. The Haas family, corporate executives, Haas School students, alums, faculty, and staff are invited.

◆ AWARDS

Finalists receive cash prizes of \$1,500 for first place, \$1,000 for second, and \$750 for third. Following the final competition, they will join the Haas dean, directors & judges for dinner. Finalists and semifinalists are recognized at the award ceremony and receive a gift and a one-year subscription to *California Management Review*.

HAAS COMPETITION TOPICS

- 1980 Under what conditions, if any, should the federal government give assistance in the form of loans or loan guarantees to private corporations in financial trouble?
- 1981 What restrictions, if any, are appropriate for corporations to place on the personal lifestyle and public expression of their directors, officers, and employees?
- 1982 Given the sizable reductions in federal expenditures for human and social services and the arts, what responsibilities, if any, do corporations have to increase their support in these areas in order to respond to the needs of their own employees as well as to the needs of the larger community?
- 1983 What are the social and ethical issues for managers, shareholders, and employees, raised by corporate mergers and acquisitions?
- 1984 What are the responsibilities, if any, of business firms for ameliorating individual and community hardships resulting from lay-offs and plant closings?
- 1985 Are top executives of American corporations overpaid?
- 1986 What criteria should be used to make pension investment decisions?
- 1987 Do U.S.-based multinational corporations have a responsibility to consider the impact of their global location decisions on the economy and the society of the U.S.?
- 1988 What are the responsibilities of corporations and business schools for the ethical conduct of business? How well are corporations and business schools fulfilling these responsibilities?
- 1989 What are the political, social, and economic consequences of increased foreign direct investment in the U.S.? What are the appropriate responses to this investment, both by American and foreign business managers?
- 1990 What responsibility do companies have for safeguarding and preserving the future quality of the earth's physical environment? Should companies subscribe to a voluntary code of environmental conduct that will commit them to eliminating pollutants that damage the air, water or earth? How should companies respond to public demands for expanded environmental regulation at the local, national and international levels? What role should the private sector play in balancing the conservation of the earth's natural resources with the need for future economic growth?
- 1991 What is the extent and limit of the responsibility of the managers of American companies for assisting their employees to balance their careers with their family responsibilities? What is the responsibility of companies for accommodating the special needs of female employees who wish to pursue their careers while having babies and raising families? How should corporate managers handle the conflicts that arise when the request of parenting or care-taking employees for special treatment of distinctive career paths clash with other corporate interests, traditional personnel practices or the expectations of non-parenting employees?
- 1992 What are the scope and limits of the corporation's right to impinge upon the privacy of employees in order to protect the interests of the firm? For example, to what extent and by what means should firms attempt to control such employee behaviors as drug, tobacco, and alcohol use both on and off the job? To what extent is it appropriate for firms to use genetic testing and HIV testing to reduce health care costs?
- 1993 What can and should corporations do to improve the quality of education and training in the countries where they do business? Assess the relative importance and value of company initiatives in three areas: Employee training programs, direct involvement with the schools through donations or employee participation, & support of public policy changes.
- 1994 How can business managers most responsibly manage corporate downsizing? What are the moral, social, and economic implications of corporate downsizing?
- 1995 Should companies promote the acceptance of diversity in the workplace, and if so, how?

UPDATE

Organization: SAN FRANCISCO CHRONICLE SEASON OF SHARING FUND

Grant Awarded: 1994, \$50,000

Note: The Haas Fund's 1994 grant to the Season of Sharing Fund was approved in October by Walter to provide a leadership grant to kick off the 1994 drive.

The Season of Sharing Fund (SOS) is now entering its 9th year. It has truly become a community institution, serving as a vehicle both for individuals to assist their less fortunate neighbors, and as a unique pot of unrestricted dollars with which service agencies can respond to a client's emergency need. Although in the course of our work we repeatedly hear from grantees how much of a difference small cash grants can make in the lives of families and individuals, few such sources exist. It is in sharing the cost with thousands of contributors that SOS can continue to serve this important purpose.

Last year's SOS Fund exceeded \$2 million, bringing the cumulative, eight-year total to \$10 million. These funds were shared among nine counties, and as in previous years, most of the dollars went to meet housing and critical needs, with approximately 15% distributed to food banks (see attachment for analysis of distribution). In total, SOS funds assisted 2,500 families and individuals with housing, and 500 people with critical needs. The food bank allocation paid for an estimated 428,000 meals.

Attached is a list of foundation and corporate major donors to the campaign. A few other key points about SOS:

- Thus far, SOS has broken its previous year's fundraising record every year. This is especially significant in the past two years when many major drives across the country have either decreased or remained at the same level.
- The number of donors to the 1993 drive increased, from 6,900 the previous year to 7,860. This is important, since the SOS Fund's strength is its broad-based support.
- This season, KRON-TV will be giving even more attention to SOS. KRON may feature a phone number to call for immediate credit card donations.
- The Chronicle's leadership is strongly supportive of SOS. Their support means a stronger program, and bodes well for the long-term future of SOS. They continue to express their genuine appreciation for Walter and the Fund's leadership role with SOS.
- Walter's letters to friends raise significant contributions to SOS, and the Fund's leadership gift has served as a benchmark for other major donors.

Ira will brief the board further on SOS at the board meeting. **Critical to this year's SOS Drive will be the length and consequences of the strike.**

Reviewed by: Melissa Barnett and Ira Hirschfield

Attachments

THANK YOU

We take this opportunity to thank all donors for their generous contributions to the Season of Sharing Fund, and to acknowledge major foundation and corporate donors.

In addition, The Chronicle wishes to acknowledge the employees and volunteers at community service agencies who coordinate distribution of Season of Sharing Funds to our neighbors who need assistance. The agencies cover their own costs incurred in the process of distributing Season of Sharing dollars. The people who staff the agencies work long hours throughout the year, and particularly during the holiday season, to help those less fortunate than themselves.

Foundation and Corporate Donors

\$75,000

An Anonymous Foundation

\$70,000

The San Francisco Chronicle*

\$50,000

Evelyn and Walter Haas, Jr. Fund

\$35,000

Miriam and Peter Haas Fund

\$30,000

The William and Flora Hewlett Foundation
The James Irvine Foundation

\$25,000

Richard and Rhoda Goldman Fund
Walter & Elise Haas Fund
The David and Lucile Packard Foundation
RCM Capital Management
Charitable Fund
The San Francisco Foundation

\$20,000

Marin Community Foundation
The Philanthropic Collaborative Inc.

\$15,000

The Gap Foundation
The Gruber Family Foundation
The Luke B. Hancock Foundation
Koret Foundation

\$12,500

The Herbst Foundation

\$10,000

Apple Computer, Inc.
Bank of America
The Cal-Bay Mortgage Group
DFS Group Limited
Donald G. and Doris F. Fisher Fund
Lockheed Missiles & Space Company, Inc.
Laurence L. Moore Charitable Trust
The Bernard Osher Foundation
Toni and Arthur Rock Fund
Charles Schwab

\$7,500

The Application Group, Inc.
Ford Land Company
William D. Kimpton and
Kimco Hotel Restaurant Management Co.
The Morrison & Foerster Foundation

\$7,000

The People of Kazan, McClain,
Edises & Simon

\$6,000

The People of O'Connor, Cohn,
Dillon & Barr
USL Capital
Timwood Foundation

\$5,000+

Merrill Lynch & Employees
APTCO, Inc.
Columbia Foundation
Cooper, White & Cooper
The Crescent Porter Hale Foundation
The Edwards Foundation
Levi Strauss Foundation
The Lurie Co.
McKesson Foundation, Inc.
Maxim Integrated Products
John and Tina Mehan Fund
New United Motor Manufacturing
Pacific Gas and Electric Co.
TakeCare Health Plan
Western Roofing Service/
Webster Restoration
The Jin and Linda Zidell Fund of
the Marin Community Foundation

\$3,500+

Cow Hollow Foundation
De Goff and Sherman, Attorneys
Levine-Fricke

\$3,000

Ellsworth Family Trust
General Steamship International, Ltd.
Walter S. Johnson Foundation
Middle Passage Foundation
Rutherford & Chekene
The Search Firm and Professional
Consulting Network
Trans-Box Systems, Inc.

\$2,500+

AMB Institutional Realty Advisors, Inc.
Guy F. Atkinson Company
The Bothin Foundation
Dora Freedman Levit Fund for the People
Fritzi California
Lisa and Douglas Goldman Fund
Hillman Properties West, Inc.
Lossing & Elston Equipment Partnership
Portal Publications, Ltd.
Seiler & Company

\$2,000

William C. Andreasen Trust
The Mervyn L. Brenner Foundation, Inc.
Chambers & Chambers, Inc. and Employees
Danhakl, Inc.
DataSafe
Friedman Family Foundation
Richard N. Goldman & Company
Hagstrom Realty Company, Inc.
The Human Technologies Group
Harold & Gertrud Parker Family Trust
J/J Petricciani Foundation
Swinerton & Walberg Co.
Ten Inverness Way Bed and Breakfast

\$1,500+

Gruber & McBaine Capital Management
Pell Family Foundation
Professional Messenger
Repro-Media, Inc.

\$1,000+

Susan Adler Foundation
Air Container Transport, Inc.
Gerson Bakar Foundation
S.D. Bechtel, Jr. Foundation
The Lowell Berry Foundation
Linda and William N. Bucklin Family Fund
Cahill Contractors, Inc.
Calegari and Morris Accountants
Career Associates, Inc.
Catellus Development Corporation
CDS Distributing, Inc.
Crosby Helmich Architects
East Bay Community Foundation
Foote, Cone & Belding/Impact West
Glanville Associates
Hardison Komatsu Ivelich & Tucker
HMS Associates
Ho-Hum Construction
Interpacific Group
Zel R. Kahn & Sons, Inc. Philanthropic Fund
Marine Chartering Co., Inc.
The Nan Tucker McEvoy Foundation
The Mortgage Connection and Employees
Penelope Straus More Family Foundation
JP Morgan & Co.
The Martin Karns Mumford Trust
National Coupon Redemption Service
Nissen Family Charitable Trust
Online Business Technology
Peking Handicraft, Inc.
Pier 39 Limited Partnership
Plant Construction Co. Community Fund
Bruce and Bonnie Potter Family Fund
Quizix, Inc.
Rayner Foundation
Rochester Big & Tall Clothing
Sade Development Co.
Sanwa Bank California
Adrienne & Norman Scholssberg Family Fund
Shartsis, Friese & Ginsburg
Rodney Strong Vineyards
Alice Phelan Sullivan Corporation
Primetime Publicity and Media Consulting
Tricor International
Trident Trading Co., Inc.
Vista Funding Co.
Staff of Weinstein and Co.

Contributors of Services

Deloitte & Touche
Northern California Grantmakers
Wells Fargo Bank

*Includes \$40,000 in administrative fees paid directly to fiscal agents in each county.

San Francisco Chronicle Season of Sharing Fund

Questions and Answers

Q. *What is the history of the Fund?*

A. Although The Chronicle created the Season of Sharing Fund in 1986, it is essentially an extension of the Emergency Family Needs/Housing Assistance Fund that was administered by Northern California grantmakers in 1983 and 1984. During those years, The Grantmakers distributed more than \$2.9 million. Since The Chronicle started the Fund, more than \$10 million has been donated. All of those dollars have been used to provide critically needed items, housing and food to many thousands of individuals and families over the years.

Q. *What is the purpose of the Fund?*

A. Despite public and private efforts, thousands of San Francisco Bay Area families and individuals slip through social safety nets. Typically, these are low-income people (many of whom are working at minimum-wage) who have one-time emergency needs that can't be met through other resources. Through a network of more than 120 community service agencies, the San Francisco Chronicle Season of Sharing Fund provides assistance in a humane and effective manner. Its goal is to alleviate human suffering and help strengthen the stability of the family in crisis.

Q. *How does the fund work?*

A. The Chronicle and KRON-TV feature stories of people in need beginning Thanksgiving Day and concluding New Year's Day. The Chronicle invites its more than 1.4 million readers to contribute to the Fund and KRON-TV (Channel 4) encourages its viewers to donate to the Season of Sharing Fund. Northern California Grantmakers administers the Fund in association with private and public community service agencies in the Bay Area. These agencies provide screening and referral services to individuals. Social service departments approve applications for critical needs, and fiscal agents in each county disburse grants in the form of third-party checks.

Q. *Who is eligible for assistance?*

A. Elderly or handicapped individuals and working poor families with children who reside in the counties of Alameda, Contra Costa, Marin, San Mateo, San Francisco, Santa Clara, Solano or Sonoma. Season of Sharing funds are also distributed to food banks in the counties listed above and in the county of Napa.

Q. *What is the method of assistance?*

A. Critical needs assistance is in the form of grants which are paid directly to the supplier of services by a fiscal agent in each county. Assistance is also provided through food box and brown bag programs.

Q. *How are grants allocated to participating counties?*

A. 85% of the total funds donated are used for housing and critical needs; 15% are used for emergency food services. Each county receives a base amount for housing and critical needs (currently \$25,000) and a base amount for food programs (currently \$5,000). The balance of the funds is distributed on a percentage basis, according to three areas of need: 1) Family and Children; 2) Over 60; and 3) Handicapped Individuals.

Q. *How does The Chronicle support the Fund?*

A. The Chronicle begins the fund drive each year with a contribution of \$30,000. The Chronicle also pays the fiscal agent in each county an administrative fee of 2.5% of the total funds distributed for housing and critical needs assistance. In 1993-94, this figure was \$40,515. Chronicle reporters and photographers interview people in need who are then featured in the paper during the campaign. The newspaper publishes lists of contributors (who may make their contributions in memory of other persons), stories of contributors, a running total of contributions to the Fund and a

coupon advising readers how to contribute. Ads throughout the Chronicle, along with public service announcements and features on KRON-TV, further encourage readers to help their neighbors in need. At the conclusion of the campaign, The Chronicle publishes an accounting of how much was donated and how the contributions were distributed.

Q. *Is a percentage of funds raised allocated to cover administrative expenses?*

A. No. Every dollar contributed goes to the needy. All administrative expenses are paid for by The Chronicle, selected foundations, and by the community service agencies who distribute the funds in each county. Wells Fargo donates banking services, and Deloitte & Touch audits the fund pro bono.

Q. *Are contributions tax-deductible?*

A. Yes. The Season of Sharing Fund is a non-profit corporation exempt from income tax. It does have a 501C3 number (provided upon request.)

Q. *Are contributions accepted during the year?*

A. Yes. The account is open throughout the year and as funds accumulate, they are sent to participating counties during the year. Contributions can be sent at any time to:

The Season of Sharing Fund
Post Office Box 44740
San Francisco, CA 94144





DISTRIBUTION OF SEASON OF SHARING DOLLARS

For Critical Needs/Housing Assistance*

County	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94
Alameda	\$122,700	\$144,600	\$224,870	\$272,974	\$290,988	\$299,838	\$291,182	\$315,536
Contra Costa	88,750	103,000	155,350	169,651	180,160	185,322	180,272	196,680
Marin	37,750	40,600	51,070	76,661	80,415	82,258	80,455	91,031
San Francisco	114,300	134,200	207,490	221,313	235,574	242,580	235,727	262,712
San Mateo	78,125	90,000	133,625	128,322	135,828	139,516	135,901	157,062
Santa Clara	118,500	139,400	216,180	252,310	268,822	276,935	269,000	302,330
Solano	NA	NA	NA	NA	NA	NA	NA	91,031
Sonoma	39,875	43,200	55,415	86,997	91,497	93,710	91,545	104,238
Totals	\$600,000	\$695,000	\$1,044,000	\$1,208,228	\$1,283,284	\$1,320,159	\$1,309,092	\$1,520,620

*In addition, \$483,000 was distributed for emergency housing and critical needs during the fund drives.

For Food

County	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94
Alameda	\$13,965	\$20,560	\$23,630	\$33,798	\$40,172	\$42,122	\$40,343	\$49,670
Contra Costa	10,385	14,800	17,150	23,188	27,214	28,447	27,322	34,035
Marin	4,865	6,160	7,430	11,062	14,398	14,679	18,021	16,167
San Francisco	13,355	19,120	22,010	26,220	30,916	34,307	31,042	34,035
San Mateo	9,188	13,000	15,125	20,157	23,512	24,538	23,602	27,334
Santa Clara	13,150	19,840	22,820	33,798	40,173	42,122	40,343	54,136
Sonoma	5,092	6,520	7,835	15,610	19,809	18,677	18,021	18,400
Napa	NA	NA	NA	11,062	16,108	16,721	16,161	18,400
Santa Cruz	NA	NA	NA	14,099	NA	NA	NA	NA
Solano	NA	NA	NA	12,578	17,818	18,677	16,161	16,168
TOTALS	\$70,000	\$100,000	\$116,000	\$201,572	\$230,120	\$240,290	\$231,016	\$268,315

Appendix G

Background on the Evelyn and Walter Haas, Jr. Fund

Early History

The Evelyn and Walter Haas, Jr. Fund was incorporated on March 30, 1953. The articles of incorporation were signed by the three original Trustees of the foundation: Walter A. Haas, Jr., President; Evelyn D. Haas, Vice President; and Peter E. Haas, Treasurer. On April 14, 1953, the foundation's by-laws were adopted. The foundation's early grants were made to local charities that typically represented or provided direct services to disadvantaged communities, to small arts organizations, and to educational and cultural institutions of personal interest to the Trustees. Grants generally ranged from \$15 to \$1,000. Meetings were held at the office of Levi Strauss & Company, then located at 98 Battery Street.

Foundation records include board meeting minutes dating back to January 15, 1960. The Trustees generally met on a monthly basis, except in the summer. Between \$1,000-\$2,000 typically was granted at each meeting, although more sizeable grants were occasionally made to such major institutions as the Jewish Welfare Federation (\$7,500), the San Francisco Museum of Modern Art (\$4,500), and the United Way, then called the United Bay Area Crusade, (\$2,800). Throughout the Fund's early period, Evelyn and Walter Haas slowly built up the endowment with periodic donations of stock.

The 1970's

The 1970's was a period of development and growth for the foundation, both organizationally and programmatically. In 1972, Evelyn and Walter's three children, Robert D. Haas, Elizabeth J. Haas, and Walter J. Haas joined the board. In becoming an associate member of the Council on Foundations in 1977, the Fund recognized its role as a member of a wider grantmaking community. That same year, attorneys Willard Ellis and Harold Levy became Secretary and Assistant Secretary of the Fund. In May of 1977, Walter J. Haas became the Fund's first Executive Director. In early 1978, the board agreed to expand its membership to three non-family members, and later in the year brought on Franklin (Dyke) Brown, Lewis H. Butler, and Cecil F. Poole.

TRUSTEES

Walter A. Haas, Jr., CHAIRMAN

Evelyn D. Haas, VICE CHAIRMAN

Walter J. Haas, SECRETARY/TREASURER

Elizabeth Haas Eisenhardt

Robert D. Haas

Ira S. Hirschfeld, PRESIDENT

Programmatically, the foundation began to sharpen and define its grantmaking. The "Presidential Revolving Fund" was established to give the President authority both to renew "traditional annual gifts" as well as award small grants which were not of a "large or complicated nature." In addition, a \$5,000 per annum Executive Director's Discretionary Fund was created to accommodate grants of up to \$500. The Trustees began to make more substantial grants, typically in the \$1,000-\$10,000 range. In the mid-1970's, large gifts to key organizations included \$25,000 (over five years) to the San Francisco Museum of Modern Art and \$175,000 to the Jewish Welfare Federation. In 1978, a \$150,000 gift was made to On Lok Corporation, a community-based agency serving the elderly in San Francisco's Chinatown.

Whereas in the past, grants were made almost exclusively for general support, grantmaking was now becoming more project oriented. Under Walter J. Haas' leadership, the board began to define specific funding areas. His father, Walter A. Haas, Jr., was particularly interested in assisting disadvantaged inner city communities and the people who lived within them. He expressed a special concern for the problems faced by San Francisco's Hispanic-Americans. In addition, his interest in corporate social responsibility produced two major grants in 1978 of \$250,000 each (over five years) to the University of California at Berkeley and Stanford University for the development of programs in business ethics and corporate social responsibility. Mrs. Haas' profound regard for and interest in the arts, music, hospitals, and education led to funding in those areas. Other emerging concerns were in the elderly and in equal opportunity.

A guiding principle behind the foundation's grantmaking was that rather than provide ongoing organizational support, the Fund would seek to maximize its grantmaking leverage whenever possible by providing seed funds for new projects. In 1978, the Fund published its first annual report.

The 1980's

During this decade, the foundation built upon the groundwork laid in the late 1970's to mature as a philanthropic organization that embodied the values of the Haas family. Board composition shifted and settled: James Gaither replaced Lewis Butler as a Trustee in 1981, and in 1983, the board was reduced to three members, Walter A. Haas, Jr., Evelyn D. Haas, and Walter J. Haas. The previous five Trustees became members of a newly created Advisory Trustee board. The foundation's first Conflict of Interest policy was adopted.

The minutes from the early 1980's reflect much attention to refining the foundation's internal organization, and to defining and concentrating its funding areas. The foundation continued its longstanding interest in corporate social responsibility, in fine arts and cultural programs, in justice and equal opportunity, and in community and economic development, especially for Hispanic Americans. Other areas in which the Trustees were interested included youth, performing arts, children's services, and the newly emerging hospice movement.

As the quantity and size of the Fund's grants grew, now typically in the \$10,000-\$25,000 range, the foundation experimented with various internal configurations that would best reflect its grantmaking. A concerted effort was made to separate grants that reflected the Trustees' traditional interests, often with organizations and institutions with which they had a personal involvement, from the community grantmaking of the foundation. A distinction was made between "ongoing grants" with community-based groups that served the San Francisco Bay Area, "traditional grants" which reflected the cultural and educational interests of the founders, and "innovative and unrestricted grants" reserved for activities of special interest. Working papers on issues of interest to the Trustees were prepared under Jim Marshall, Executive Director of the Fund from 1980-1983, to help refine the foundation's program interests. The President's Discretionary Fund became the vehicle for annual contributions, and the Executive Director's Discretionary Fund was increased to \$25,000 annually for grants of up to \$5,000 each.

A number of Executive Directors served the foundation, beginning with Peter Almond in 1979, Jim Marshall in 1980, Moira Caron in 1983, Ira Hirschfield in 1985, and Melissa Bannett in 1988. As discussed below, Ira Hirschfield returned in 1992.

In the mid-1980's, the foundation further sharpened its program focus by translating some of its longstanding concerns into guidelines which addressed the social problems of the day. A continuing interest in the urban poor expanded into the areas of hunger and homelessness. A general concern for the elderly was directed towards programs to promote independent living for older adults. The Fund also invested in Latino community development projects in San Francisco's Mission District, and maintained the founders' traditional interests in the arts, education, and corporate social responsibility. Grants in these latter three categories were generally initiated by the Trustees.

The 1990's

In 1990, the Fund became a beneficiary of a substantial bequest from the estate of Walter A. Haas, Jr.'s mother, Elise Haas. Between October 1991 and October 1992, the Fund received \$120 million from this bequest. Thanks both to this extraordinary gift and to the enormous growth and success of Levi Strauss & Co., the Fund's assets at midyear 1995 totaled more than \$250 million. As a result, the foundation has increased its giving program significantly. In preparation for the transition to a larger foundation, Elizabeth Haas Eisenhardt and Robert D. Haas rejoined the Board of Trustees, and Ira S. Hirschfield both assumed executive leadership of the Fund and became a member of its board. In May 1993, the Fund released new program guidelines which reflect the direction of future grantmaking. Program areas include: strengthening children, youth, families and the elderly; strengthening neighborhoods and communities, reducing hunger and homelessness, encouraging volunteer service and philanthropy, and trustee initiated grants. The attached guidelines elaborate the Fund's objectives for each of these program areas.

***Evelyn
and
Walter Haas, Jr.
Fund***

1995 Program Guidelines

Program Guidelines

The Board of Trustees that governs the Evelyn and Walter Haas, Jr. Fund includes the founders, Evelyn D. Haas and Walter A. Haas, Jr.; their three children, Robert D. Haas, Elizabeth Haas Eisenhardt, and Walter J. Haas; and the Fund President, Ira S. Hirschfield. The following are the Fund's areas of concentration for 1995:

- ◆ Strengthening Children, Youth, Families, and the Elderly
- ◆ Strengthening Neighborhoods and Communities
- ◆ Reducing Hunger and Homelessness
- ◆ Encouraging Volunteer Service and Philanthropy
- ◆ Trustee-Initiated Grants

These program areas reflect the Trustees' long-standing interests and emerging concerns, as well as evolving grantmaking strategies and priorities based on what we learn about the impact of our work, and the shifting needs of our target communities. In our grantmaking, we seek to:

- Support prevention and early intervention strategies.
- Promote self-help and self-sufficiency.
- Acknowledge and build on the strengths of individuals, families, and communities.
- Enhance equality of opportunity.
- Support organizations with effective leaders who:
 - Practice ethical and prudent governance and management.
 - Are committed to finding out if their work achieves its intended outcomes.
 - Are willing to change agency practices as a result of what they learn.
 - Respect and reflect the cultural and ethnic diversity of the communities they serve.
 - Work with other community groups and with leaders from business, government, labor, and philanthropy to tackle tough problems.
 - Encourage strong volunteer participation within their programs.

In all program areas, the Fund also seeks opportunities to award grants that are likely to leverage significant change or improvements, build leadership and institutional capacity, and achieve lasting results.

Strengthening Children, Youth, Families, and the Elderly

Changes in family structure have eroded traditional supports for the young and the elderly. In order to reweave the community and home safety net, especially in low-income neighborhoods, the Fund supports programs that nurture the young to become healthy, productive, caring adults, and enhance elders' well-being and encourage their self-sufficiency.

Youth development The Fund has a strong interest in ensuring that youth have opportunities to enhance their personal development during nonschool hours through activities that include recreation, sports, education, and community service. We favor culturally sensitive programs that help young people learn and practice skills they need to become successful adults, that provide guidance from a sustained relationship with a caring adult, and that allow youth to contribute meaningfully to the program and their community.

Family support To strengthen families' ability to nurture their young, we seek to develop and enhance community-based prevention programs that enable parents to play active roles in their child's development, and foster cooperation between home and school to improve student achievement. We favor programs that are driven by family concerns and interests, build on family skills and talents, and broker a variety of resources to help parents raise children.

Comprehensive services and systems reform We also fund school-linked and community-based approaches that coordinate and leverage resources to effect enduring, systemic improvements in services for healthy child and youth development. Of special interest are comprehensive strategies that emerge from communitywide planning and problem-solving to improve neighborhoods and communities on behalf of children and their families.

In each of these areas, we give priority to grant requests for strategies that are likely to affect significant numbers of low-income children and families in underserved neighborhoods, especially efforts that can be sustained over time. We also will consider providing limited support for advocacy or policy work that advances the Fund's local program objectives.

Elder services and support The Fund seeks to enhance the quality of life for the elderly by strengthening a continuum of independent living services. We support programs that enable frail elders with limited incomes to live independently in their own homes and communities and avoid premature institutionalization.

We have strong interest in promoting access to culturally appropriate services and improving coordination among service providers through case management and agency collaboration. This includes linkages to health services and community resources such as churches and social groups. Our funding focuses on strengthening community-based prevention programs, especially adult day health, in-home support services, and support to caregivers of frail elders or those with dementia. Limited funding is available for local, consumer-driven advocacy work and policy grants that advance the Fund's program objectives.

1995 activities In addition to the above emphases, this year we are assessing our grantmaking for the elderly; working to create a Youth Sports Initiative; and promoting the development of Beacon Schools – school sites open evenings and year-round for youth and family activities.

Strengthening Neighborhoods and Communities

The Fund seeks to help poor residents use their community's unique strengths to stabilize and improve neighborhood conditions, as well as to expand their life opportunities. We support community-based initiatives that address multiple issues, benefit entire neighborhoods, and leverage new financial and technical resources for them. Given the complexity and interrelationships of neighborhood problems, we favor comprehensive, collaborative approaches.

Community development We support efforts that build local ownership in programs by involving families, youth, and other stakeholders in problem-solving, community planning, and implementing solutions. To facilitate such participation, the Fund provides limited funding for activities that enhance the knowledge, skills, and leadership abilities of residents and community-based organizations.

Housing To help stabilize neighborhood conditions and the lives of poor families, including the homeless and those at risk of becoming homeless, the Fund supports efforts to preserve and increase communities' affordable housing stock. For development projects, we give funding priority to organizations (also known as intermediaries) that help nonprofit developers build housing projects. The Fund occasionally makes exceptions for projects that are integral to a larger community plan or that address a specific Fund priority. Capacity-building grants also are provided to a limited number of nonprofit housing developers that have strong community governance. Currently, the Fund does not provide program-related investments.

Organizations eligible for funding under the Strengthening Neighborhoods and Communities Program include nonprofit community development corporations and other nonprofit agencies that help to stabilize and revitalize neighborhoods. We give priority to organizations with good track records, although we will consider proposals from new organizations that fill a strategic gap in their communities.

1995 activities This year we are considering increasing our program emphasis in neighborhood safety. If we decide to fund such programs, we will likely accept grant proposals by invitation only.

Reducing Hunger and Homelessness

The prevalence of hunger and homelessness – particularly among at-risk youth and families with children – continues to be a major concern of the Fund. Although ameliorating both problems requires a combination of strategies ranging from emergency assistance to subsidized housing and support services, we prefer to focus on early detection and prevention initiatives that help people achieve self-sufficiency. We also believe that efforts linked to broader community goals and local service networks are likely to achieve more enduring outcomes.

The Fund seeks to work with programs employing collaborative, comprehensive approaches and that have clearly articulated outcomes. The Fund is unlikely, however, to consider proposals for ongoing support services for people with chronic disabilities.

Hunger Under an evolving food program, the Fund will support demonstration initiatives that increase access to nutritious, high-quality food in poor communities. Grants will be made to a range of nonprofit organizations, including food banks, regional collaboratives, and grass-roots organizations. Limited support will be provided for emergency food programs and policy work that enhance the Fund's local-level objectives.

Homelessness Our primary emphasis is on preventing homelessness in at-risk populations, though we will consider funding programs that seek specific outcomes for those who already are homeless. Our aim, in both cases, is to support programs that stabilize people's lives and help to make them self-sufficient. While limited support is available for emergency housing and related support services, we prefer to fund programs that work to eliminate the cycle of homelessness

and help people make the transition into and remain in permanent, affordable housing. In funding emergency programs, we consider how well they are linked to larger community efforts and support networks.

For funding guidelines on housing construction, refer to the previous section on Strengthening Neighborhoods and Communities.

1995 activities We are evaluating and revising our homelessness grantmaking in 1995. We are also developing a multiyear initiative to increase Food Security, focusing on the food and nutrition needs of a wide range of residents living in low-income communities.

Encouraging Volunteer Service and Philanthropy

Building on the rich benevolent and charitable traditions in this country, and the long-term commitment of the Fund's founders as community volunteers and philanthropists, the Haas, Jr. Fund seeks to promote civic responsibility through volunteerism and philanthropy. In both areas we support efforts to build capacity, increase coordination, and initiate collaborative ventures.

Volunteerism The Fund encourages programs that help people of all ages become involved as volunteers. We are especially interested in collaborative efforts that will create a strong community base to expand and sustain community service. We will continue to support programs that strengthen capacity and coordination among volunteer centers, and will consider funding to help colleges and universities become a fulcrum for community service among students, staff, and faculty. The Fund also encourages the improved governance and development of nonprofit boards that reflect the cultural and ethnic communities they serve.

Philanthropy The Fund seeks opportunities to motivate the charitable impulses of individuals who have the financial means to become more involved in their community and in philanthropy.

1995 activities This year we are exploring an initiative to strengthen the leadership, governance and management of nonprofit organizations in San Francisco and Alameda counties.

Trustee-Initiated Grants

The Trustees value the many cornerstone institutions that contribute to the quality of community life. Grants to these arts, cultural, and educational organizations are initiated only by the Trustees. The Fund also may initiate special projects on corporate social responsibility, corporate ethics, and other issues outside the focus areas described in the guidelines. This enables us to remain open to changing community needs, challenges, and opportunities.

Additional Grantmaking Criteria

Geographic area served Support is directed primarily to organizations in San Francisco and Alameda counties. The Fund occasionally initiates support for programs in other Bay Area communities, or for state, regional, or national efforts that directly relate to the Fund's program objectives. Exceptions to these criteria are awards initiated by Trustees.

Grant size Grants generally range from \$5,000 to \$75,000 a year, depending on the scale of the organization, amount of other funding received, financial management capacity, and the Fund's history with the organization. Challenge or matching grants, as well as multiyear awards, will be considered.

Types of grants The Fund will consider grants for start-up of new projects; pilot or demonstration programs; planning, management, or technical assistance needs; general support; evaluation; advocacy; occasional policy work in program areas of interest; and limited equipment purchases.

Areas not supported by the Fund The Fund will not make grants for capital or endowment campaigns (unless Trustee initiated), major equipment, basic research, conferences, publications, films or videos, deficit or emergency funding, scholarships, direct mail campaigns, fund-raising events, annual appeals, or aid to individuals. Exceptions may be made for requests that are a component of a larger effort in which the Fund is engaged, or for an organization with a well-established relationship with the Fund.

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ANN LAGE

B.A., and M.A., in History, University of California,
Berkeley.

Postgraduate studies, University of California,
Berkeley, American history and education.

Chairman, Sierra Club History Committee, 1978-1986; oral
history coordinator, 1974-present; Chairman, Sierra Club
Library Committee, 1993-present.

Interviewer/Editor, Regional Oral History Office, in the
fields of natural resources and the
environment, university history, California
political history, 1976-present.

Principal Editor, assistant office head, Regional Oral History
Office, 1994-present.

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